

JOURNAL OF THE
AMERICAN BANKERS' ASSOCIATION

Vol. I

MAY, 1909

No. 11

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To make room for a report of the meeting of the Executive Council, held at Briarcliff Lodge, May 4th and 5th, without unduly enlarging the size of the JOURNAL, a number of the regular features have been omitted from this month's issue.



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VOL. I.

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EXECUTIVE COUNCIL MEETING

Spring Meeting of the Executive Council of the American Bankers' Association at Briarcliff Lodge, Briarcliff Manor, N. Y., Tuesday and Wednesday, May 4-5, 1909.

MEETINGS of the various Section Committees and Committees of the Association were held at Briarcliff Lodge on Monday, May 3d, at which their reports were prepared for presentation to the Council on the two following days.

Out of a total membership of seventy-one, sixty-six members of the Council responded to the roll call on Tuesday, and regrets were received from the five absentees.

The visiting bankers comprising the different committees who are not members of the Council, were invited to attend the sessions.

President George M. Reynolds announced that matters pertaining to the convention of the Association in Chicago, beginning the week of September 13th, were progressing, and that the members of the Association and their ladies would receive a hearty welcome. The President, Vice-President, Chairman of the Executive Council and the Secretary of the Association were appointed a committee on program. Major Warren, of New York, announced that the New York bankers had made a contract with the New York Central R. R. for a special train to Chicago and return.

Mr. P. C. Kauffman, Treasurer of the Association, of Tacoma, Wash., extended a most cordial invitation to the members of the Association to visit Seattle at the time of the joint conventions of Washington, Oregon and Idaho on June 24-26. Ex-Governor Moore, Walla Walla, Wash., and J. C. Ainsworth, of Portland, Ore., endorsed the invitation, and expressed the wish that those who could do so, would visit that section of the country and a hearty welcome awaited them.

Mr. James M. Elliott, of Los Angeles, Cal., reminded the members of the Council that an invitation had been extended to the Association to hold the 1910 convention in that city, and the bankers of California sincerely hoped that the Association would accept the invitation.

One of the principal social features in connection with the meeting of the Council was a banquet tendered to the bankers and their ladies by Briarcliff

Lodge on Tuesday evening. Mr. F. O. Watts, Chairman of the Council, acted as toastmaster. The addresses were informal. Mr. Logan C. Murray, of Louisville, Ky., one of the organizers of the American Bankers' Association and a former president, spoke very feelingly of his early connection with the Association and drew a vivid comparison of the Association starting out with a few hundred members and the Association of the present day, comprising a membership of over ten thousand prominent banks of the country. Verily, he said, my vision of the early days is now a reality. Remarks were also made by President Reynolds, Ex-Presidents Powers and Hamilton, Vice-President Pierson and others. A dance followed the banquet.

Many members of the Council, when not in session, played golf, and a handsome silver cup, the gift of Briarcliff Lodge, was won by Mr. S. H. Burnham, of Lincoln, Neb.

The Council passed a unanimous vote of thanks to the management of Briarcliff Lodge for the splendid attention given and many courtesies shown.

The spring meeting of the Council was pronounced by everyone present to be the most successful and enjoyable one in the history of the Association.

With one or two exceptions, all the members and their ladies left for home Wednesday afternoon, the New York Central Railroad Company making arrangements for the express train to stop at Scarborough, having an extra parlor car attached to the train. Mr. W. R. Barnet, Assistant Passenger Agent of the road, was at Briarcliff Lodge, and escorted the party to the train and saw that they were comfortably settled for their trip to New York.

REPORTS

Secretary Farnsworth.

NEW YORK, May 1, 1909.

The year just closed, since the last meeting of the Executive Council, has seen many changes in the work of the Association, and a decided development in its extent; also a feeling of satisfaction among the membership with the general belief that results are being attained. As an evidence of this, I have only to point to the growth of the Association during the past year, and the fact that the list of delinquents in proportion to the membership is very much smaller than it has ever been before in the history of the Association.

Our membership to-day is.....	10,076
Our membership one year ago was.....	9,297
Showing a net gain of.....	779

And in this gain of membership must be added as follows:

Lost by failures, mergers and liquidations.....	.257
Lost by delinquents.....	180
Total or gross gain for the year.....	437

You will note that our delinquent list is only 180, which is about 1.8 per cent. on a membership of 10,076, an infinitesimal number. On our present basis of membership, our income would approximate as follows:

Annual income from membership dues.....	\$162,348.75
Interest on bonds and corporate stock.....	4,650.00
Interest on bank balances estimated.....	1,172.20
Total	\$168,170.95
Our cash balance as shown in the financial statement is.....	\$45,569.93
Balance one year ago.....	39,898.58
Showing an increase of.....	\$5,671.35

In accordance with the action taken by the Council in May, 1908, we now have under one roof all of the adjuncts of the Association. The Savings Bank Section lease having expired on this day, the Section is now comfortably housed in our offices. It is not necessary for me to dwell on the importance of this move and to say that it is good business policy to have all of the transactions of the Association carried on from one point. It is a matter of convenience to members of the Association, and also more economical. To accomplish this it was necessary to secure additional office room. We are paying for these additional quarters \$1,700 a year, about the same amount as was paid by the Sections when located elsewhere. This, however, gives much better offices for the Sections and provides additional space for the Association, which was required. In that connection it might be well to explain that the rent and expenses of maintaining these additional offices are paid from the general funds and are not charged to the Sections.

On the authority of the executive officers I have arranged for additional room to provide for the offices of the General Counsel, as the space formerly assigned to him is now taken by the Savings Bank Section. The office of the General Counsel, which has been so ably filled by Mr. Thomas B. Paton during the past year, and which is one of our new departments, has been most successful. Mr. Paton's long experience in work of this kind, with his patience, thoroughness and sincerity, makes him a very valuable officer of the Association, and his services are greatly appreciated by the membership, as is shown by the demands upon his time.

The setting aside of the large room of our suite of offices for a library and reading-room has proven a successful venture. We are now receiving, without much expense, some forty financial publications of the country. These are frequently referred to by visiting bankers. Since opening the register in this room, 515 visitors have registered. During the month of March there were forty-three registrations from eighteen different States, reaching from the Atlantic to the Pacific.

I have aimed during the past year to give publicity to the work of the Association and have received most liberal treatment from the financial journals and the daily press of the country. I believe in printers' ink, and am satisfied that this publicity has kept the name of the Association before the public, and especially before bankers, with the result that it has aided us materially in increasing our membership.

One of the new features, the monthly journal, has been received with great favor by our membership, as is evidenced by the large number of letters received at our offices commanding the course pursued by the JOURNAL, and assuring us of the great advantage it is to the membership as a bulletin. I do not believe we have any other one feature which is more popular. It enables us to reach our members in a way not before possible. Let me give you a brief illustration. On our return from Denver we had left over about 550 delegates' and guests' badges. A few lines in the JOURNAL to this effect resulted in a demand for all of them, and even more could have been distributed. In preparing badges for a convention it is not possible to figure on the exact quantity required, and to be on the safe side, that we may have plenty, extra ones are provided. We also inserted a brief notice calling attention to the fact that the Association had on hand a quantity of credit blanks prepared some years ago for blanks to use in getting statements from their customers. On request we have sent out 265 of these blanks. The publicity given to our various sections and committees, the preparation of the voucher-check number and the Clearing House proposition for Clearing House Examiners has met with great success in furthering this work. There are numerous other features which have been introduced from time to time in the JOURNAL which time forbids mentioning; and were all of the points which are covered in the JOURNAL sent out in circular letters, which has never been done to any large extent in the past and to which information the members are entitled, the expense for postage on such circular matter would be large.

During the year and a half past while I have acted as your Secretary, there have been items of expense which will not again have to be met. I refer particularly to the furnishing and fitting up of the offices in keeping with the dignity of the Association, not only for comfort but for convenience in doing business. In many respects the offices were entirely inadequate to properly handle the increasing business of the Association. There were no filing devices. These are now complete. We also have an addressograph with a full membership list and non-membership list, and now in course of preparation a list for the American Institute of Banking. This addressograph not only saves money but time, and prevents errors. We have a multigraph which has been used in the preparation of 150,000 circular letters, in quantities of 25 to 10,000. A new code has been prepared, and we now have some 4,000 on hand to take care of our increasing membership. As the executive body of this Association, I feel you are entitled to full information in regard to the details of our work.

In closing I wish to make special mention of the very hearty support which has been given the Association during the past year by the Vice-Presidents, the members of the Council, the Secretaries of State Association, and the particularly active work done by

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the Sections and the various Committees, and the close attention given to the one important feature of our work, the Protective Department, by the Protective Committee. They have all responded promptly to all calls, and to them is due much credit for our increase in membership.

(Report accepted and to be spread upon the Minutes.)

Treasurer Kauffman

FINANCIAL STATEMENT SEPTEMBER 1, 1908, TO APRIL 27, 1909, INCLUSIVE

RECEIPTS	DISBURSEMENTS
Sept. 1, 1908.	
Cash balance.....	\$1,923.20
Interest on bank balances.....	1,079.36
Interest on stock and bonds.....	2,925.00
Account sundry small items.....	32.00
Extra guests Denver convention.....	790.00
Eight regained members of 1907-1908.....	95.10
One old member of 1907-1908.....	20.00
306 regained members of 1908-1909.....	4,220.00
696 new members of 1908-1909.....	7,313.75
8,484 old members of 1908-1909.....	142,340.00
45 prepaid members of 1909-1910.....	615.00
Account Clearing House Section, postage	31.86
Account Trust Company Section, sale of books and envelopes.....	502.30
	Sept. 1, 1908.
	Petty Cash, Sept. and Oct., 1908.....
	\$ 80.00
	Salaries 18,627.14
	Postage, Stationery and Printing 3,660.37
	American Institute of Banking 4,038.10
	Rent 4,041.66
	General Proceedings 10,938.08
	Trust Company Section 9,079.36
	Savings Bank Section 6,843.17
	Legal Department 267.49
	Committee on Bills of Lading 1,402.82
	Committee on Uniform Laws 25.75
	Federal Legislative Committee 365.05
	Clearing House Section 1,097.83
	Currency Commission 1,523.58
	Standing Protective Committee 23,129.17
	Committee on Express Companies and Money Orders 4,565.68
	Standing Law Committee 1,225.47
	Voucher Check Committee 1,551.84
	Cipher Code 2,388.40
	Journal 6,269.04
	Committee on Revision of Constitution 192.50
	Office Fund 1,000.00
	Extra office help 383.60
	Telephone and telegraph 268.04
	Auditors 150.00
	Insurance 65.00
	Stenographer service and rent of typewriters, account collecting dues 152.16
	Premium on Officers' bonds 73.75
	Furniture and fixtures. Furnishing offices for sections, etc. 2,504.58
	Convention expenses, including \$5,000 to entertaining city 8,481.19
	F. G. Moffat, chairman, account extra guests, Denver convention 770.00
	Traveling expenses 3,22.03
	Executive Council Vice-President and State Secretaries, securing new members 205.60
	Refund account dues, 1908-1909, overpaid 100.00
	Refund account dues, 1907-1908, overpaid 5.00
	Sundry items 765.41
	Credit Balance 44,708.71
	\$161,887.57
	\$161,887.57

NOTE.—In addition to the above cash balance of \$44,708.71 there is on hand of the amount charged to Office Fund \$861.22.

NOTE.—In addition to the above balance the Treasurer holds for investment the following:

	Present Market Value
\$10,000 Government 4 per cent. bonds of 1925.....	\$11,912.50
\$30,000 Atchison 4 per cent. bonds of 1995.....	30,300.00
\$50,000 C. B. & Q. III. Division, 4 per cent bonds.....	51,000.00
\$30,000 New York City Registered Corporate stock, 3½ per cent., due 1940.....	27,825.00
	\$121,037.50
\$120,000	

Mr. Kauffman, in presenting the Treasurer's Report, which it will be unnecessary to read as it is already printed, I want to say, on my own behalf, how much I wish to express my personal appreciation of the splendid manner in which the accounts

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of the Treasurer are kept in the home offices of the Association. You are aware, of course, that all the great labor has been taken off of the shoulders of the Treasurer by the splendid force which you have in New York. The active work of the accounts is conducted, of course, in New York City. The Treasurer is simply a disbursing officer. The accounts against each one of the various organizations of the Association, and the various committees to whom appropriations have been made, are kept by the Secretary in his offices in New York, and the vouchers as drawn, of course, come through for payment in due course, but the balances are all shown there and the accounts are audited monthly, the reports being sent out to the Treasurer and by him are referred back to the various officers of the Association for their approval. The work is so thoroughly systematized that at any moment an examination of the books in New York will show the condition of every one of the accounts not only the general balance of the Association, but the accounts of each one of your various committees and the working of each one of the departments. I wish personally to express my appreciation of the splendid work done by your officers in New York, and the assistance they have rendered me.

(Report received and made part of the Minutes of the Proceedings.)

General Counsel Paton

Since the last meeting of the Executive Council in Denver, General Counsel has been continuously engaged in work in connection with various Committees and Sections of the Association, as well as in behalf of the general membership.

Following the recommendation of the Committee on Credit Information for the enactment of a statute severely punishing an officer who obtains money for his corporation by means of a false statement signed by him, General Counsel, at the request of the Standing Law Committee, drafted a bill to punish the making or use of false statements for credit by persons either in an individual or representative capacity. This bill was indorsed by the National Association of Credit Men, the New York State Association of Credit Men, and was quite generally introduced in legislatures throughout the country. It has been passed to date in four States—Michigan, Minnesota, Montana and Wyoming. It also passed both houses of the New Jersey legislature, but was vetoed by the Governor for reasons not given, and it passed one house of the Oklahoma legislature.

Acting under the auspices of the Standing Law Committee, General Counsel prepared a pamphlet containing drafts of a number of laws recommended by the Committee for enactment in the different States, covering, in addition to false statements for credit, the following subjects: Derogatory statements affecting banks; time limit of responsibility upon forged or raised checks; punishing the giving of checks or drafts without funds; punishing the crime of burglary with explosives; regulating the payment of deposits in two names; the payment of deposits in trust; uniform law of stock transfers; providing the competency of bank notaries who are officers or stockholders; regulating the time of payment of negotiable instruments falling due on Fridays which are holidays, and the payment of time instruments payable at a bank. The pamphlet also included recommendations for the enactment of the Uniform Negotiable Instruments Law, the Warehouse Receipts Act and the Uniform Sales Act. This pamphlet, containing explanatory annotations, was sent to all the Legislative Committees of State Associations where legislatures were held this year.

Aside from the Negotiable Instruments Law, which has been enacted the present year in New Hampshire and Oklahoma, and the Warehouse Receipts Act, which has been enacted this year in California, Pennsylvania, New Mexico and Nebraska, advices to date make the splendid showing that twenty-seven of the Association's bills, all told, have been passed in different States, and this does not include three States in which the Association has been successful in having its Bill of Lading Law enacted. The particulars as to these twenty-seven measures will be given in the report of the Standing Law Committee.

Acting in behalf of the Committee on Bills of Lading, General Counsel drafted two measures, one for Congressional and one for State enactment, covering the main points of security needed by bankers. The measure in Congress was given three hearings by a subcommittee, and it is believed will be favorably reported when introduced at the next session. The State measure was published in a pamphlet accompanied by a digest of State Bill of Lading statutes, and this was forwarded to Committees on Bills of Lading of State Associations and introduced in a number of States. Particulars concerning its enactment will be given in the report of the Committee on Bills of Lading.

In promotion of the various Association measures, General Counsel has conducted an extensive correspondence with officials, legislative committeemen and members of State Bankers' Associations and with members of State legislatures in over thirty States, conveying information and providing reasons and arguments in behalf of the proposed legislation. The work in connection with the Bill of Lading and Law Committees has included

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attendance and the making of arguments at a number of legislative and other committee hearings and meetings of commercial organizations and the participation in numerous informal conferences with various persons; also the preparation of a number of briefs. A complete compilation of bill of lading statutes of all the States has also been prepared for the use of the Bill of Lading Committee.

At the request of the Committee on Voucher Checks, General Counsel arranged and participated in a joint conference of this Committee with similar Committees of the Society of Railway Financial Officers, the Association of Railway Accounting Officers and the American Association of Public Accountants. Two meetings were held at the headquarters of the Association, and as a result the Conference agreed upon certain general principles and forms of uniform voucher check, which were published as a section of the Journal for January, 1909. In connection with the introduction of these forms there has been considerable explanatory correspondence with officers of banks and other corporations, railroad officials and public accountants.

In connection with the American Institute of Banking Section, General Counsel has edited the law department of the Bulletin of the Institute and prepared answers to a large number of questions submitted by members and published in the Bulletin. Thirteen lectures on subjects of banking and commercial law have also been delivered to the law class of New York Chapter. Information on certain matters of law has been furnished the officers and members of the Trust Company Section.

Considerable work has been done in co-operation with the Committee on Savings Bank Laws of the Savings Bank Section. A two days' session has been held at the headquarters of the Association, and there is under way the preparation of a draft of general banking law which will include the cardinal requirement that savings deposits in State institutions be segregated and safeguarded.

In the progress of the work of the legal department, the banking laws of all the States have been procured and there has been begun the preparation of a general digest of all State banking laws.

General Counsel, as part of his work, has edited the law department of the Journal of the Association and otherwise devoted considerable time in connection with its editing and publication.

An important branch of the work on behalf of the general membership has been the preparation of legal opinions upon banking transactions submitted by members. From October 6, 1908, to date seventy-seven opinions have been rendered to members upon various questions of banking law. Many of these questions have involved much time and research. In addition, one decision has been made, as arbiter, upon a controversy submitted by two banks, who agreed to abide by the opinion rendered.

Aside from the correspondence in connection with the enactment of laws and the work of Committees, there has been a voluminous general correspondence and considerable time has been given to the preparation of miscellaneous statements in pursuance of requests for information upon a variety of matters connected with the legal branch of the Association work. A number of minutes of Committee meetings and statements of proceedings at various other hearings have also been prepared and furnished Committeemen and others. Much time and correspondence has also been given to the subject of Guaranty legislation.

In conclusion, General Counsel desires to bear testimony to the uniform courtesy and appreciation of the officers of the Association.

May 1, 1909.

(Report received, filed and spread upon the Minutes.)

Trust Company Section

A. A. JACKSON, Philadelphia, Pa.

H. P. McINTOSH, Cleveland, O.

OLIVER C. FULLER, Milwaukee, Wis.

(*In part*)

During the period just passed the Executive Committee and the officers of the Section have been successful, after much thought, time and labor, and after conferences with the officers of the Association, in producing a compilation of laws relating to trust companies in each and every State and territory in the Union, and the expense for this work forms a large part of the disbursements of the last seven months.

The office of the Secretary of the Trust Company Section is now a well-equipped bureau, working in harmony and in connection with the office of the General Secretary of the Association, and there has been shown the wisdom of the combination of offices of the different Sections of the American Bankers' Association so that they may be at hand to that of the General Secretary's department.

The membership of the Trust Company Section, which was on May 1st last 883, has

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now been increased to a net membership of 930, not including some forty-six trust companies that are at present delinquent in their dues, and who, it is hoped, in the near future will be reinstated to proper membership by their payment.

The various committees of the Section have been active in their work during the period that has just passed, notably that for the protection of the use of the word "Trust," which has been successful in having passed in various States satisfactory laws as to such matter. The Proceedings of the Section for the years 1904-1908 have been bound in one volume, of which a substantial number have been sold, as already stated; the compilation of the Trust Company Laws of the United States has come to a successful issue, each member of the Section having been presented with a copy, and the remainder of the issue is now on sale. An active campaign for the disposition of these books has been inaugurated and will be continued, and it is hoped that a revenue will be derived from the disposition of them. The value of the publication in question is shown by the flattering comments already received from various sources.

(Report accepted and filed as part of the Record of this meeting.)

Savings Bank Section

JOHN H. JOHNSON, Detroit, Mich.

WILLIAM R. CREER, Cleveland, O.

EDWARD L. ROBINSON, Baltimore, Md.

(*In part*)

MR. E. L. ROBINSON.—*Mr. Chairman and Gentlemen:* I would be pleased to submit a statistical memorandum regarding our work. The Savings Bank Section has to report that its present membership is 1,589, being an increase of 345 members since last year's spring meeting. As far as we are able to discern, the business has been carried on satisfactorily over the conditions which existed a year ago.

You will probably be interested to know the work our various committees are striving to accomplish. Efforts are being made through the agency of our several committees to accomplish the following definite objects.

FIRST. Vigorous educational work has been prosecuted to enlighten the banks of the country and the public at large as to the Postal Savings Bank proposition. This is a matter of deep interest to the American Bankers' Association as a body, but our Section is probably the appropriate channel for the expression of the sentiment of the General Association.

SECOND. Our Committee on Savings Bank Laws is trying to interest the Legislatures of the various States in the matter of suitable laws affecting savings bank deposits, their segregation and safeguarding. Strange as it may appear, the majority of our States have at present no banking laws covering this subject. Our counsel, Mr. Paton, is rendering us invaluable service.

THIRD. Our Membership Committee is meeting with some success in securing new members, and has done considerable missionary work among the banks in the East, most of whom are not now members of our Section.

FOURTH. The Auditing Committee is actively engaged, through correspondence and otherwise, in discussing the best methods of bookkeeping and proceeding to help especially the younger and smaller banks.

Another matter of interest is that, in compliance with the wish of this body a year ago, we have moved our general offices to the offices of the Association. I believe now all the various interests of the parent body are congregated about our accomplished Secretary's office and we will receive the benefit of his sympathetic help and advice. We will ask the Council at the proper time to approve a new constitution adopted tentatively in our Denver meeting, subject to the indorsement of this body.

(Report accepted and made part of the Minutes.)

Committee on Postal Savings Banks—Savings Bank Section

LUCIUS TETER, *Chairman*
MYRON T. HERRICK

C. LA RUE MUNSON
CHARLES E. SPRAGUE
WM. HANHART, *Secretary*

F. R. MORISON
P. LE ROY HARWOOD

Mr. Lucius Teter, Chairman of the Postal Savings Bank Committee, reported that the Committee was engaged in a broad, general educational campaign through all the bankers of the country at large, showing the fallacy and the lack of necessity for postal savings banks in this country.

Documents covering this work may be had from Secretary Hanhart.

(Report received and made part of the Minutes of the meeting.)

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Clearing House Section

E. C. McDUGAL, Buffalo, N. Y.

E. R. FANCHER, Cleveland, O.

SOL WEXLER, New Orleans, La.

The Executive Committee of the Clearing House Section has held three meetings since the Denver convention.

It was the opinion of the Committee that the Section would be greatly strengthened if the New York Clearing House Association became a member, and to that end considerable effort has been put forth. The proposition has been taken up with the officers and the members of the Clearing House Committee and seems to have been favorably received, but up to the present time no formal action has been taken although we are quite hopeful.

CLEARING HOUSE EXAMINERS

The Committee, realizing the excellent results being brought about by Clearing House Examiners in several of the important cities, has strongly endorsed the plan, and has been conducting an active campaign in the furthering of this movement. Articles have been prepared by prominent bankers familiar with the work, also by the examiners of several of the cities, which have been published in the JOURNAL. These have been brought to the attention of the Clearing House members of the more important cities and have created very much interest in the project. Only recently two cities have appointed Clearing House Examiners, and we are informed that several Associations have named Committees to investigate the matter.

FORM OF ORGANIZATION

The Committee has requested the General Counsel of the Association to prepare a suitable form to be used in the organization of Clearing House Associations.

SYSTEM OF LETTERS AND NUMBERS

The system of letters and numbers on drafts and checks, previously devised for the use of members of the twenty-five largest Clearing House Associations, has received a great deal of attention. The advantages of the system have been strongly brought before the various banks in these cities, and it is being quite generally adopted. At the present time the scope is being broadened by having the non-member banks in the several cities numbered. Through the adoption of this plan by the banks embodied in the key, the work of handling the large volume of checks in transit departments will be greatly facilitated.

METHOD FOR REPORTING WEEKLY EXCHANGES

The Committee has under consideration the working out of a plan for a uniform method of reporting the weekly exchanges by all of the Associations of the country and are quite confident that some system of accounting may be evolved which will be generally put into force.

(Report received and made part of the Minutes of the meeting.)

American Institute of Banking Committee

J. H. PUELICHER, *Chairman*, Milwaukee, Wis.

E. D. HULBERT, Chicago, Ill.

JOHN F. THOMPSON, New York City.

(In part)

Since becoming a section of the American Bankers' Association last September, the membership of the American Institute of Banking has increased from 8,835 to 10,895 included in fifty-three city chapters and the Correspondence Chapter. The general educational work of the Institute, consisting of lectures and debates, continues to improve and many chapters have become recognized channels through which financial truths are expressed. Commendable interest is manifested in the prescribed study courses and examinations, and in approval and furtherance of this feature of Institute work, your Committee, upon request of the Institute Executive Council, recommends the adoption of the following resolution:

RESOLVED, That the plan of the American Institute of Banking to fix and maintain a recognized standard of banking education by means of official examinations and the issuance of certificates be and hereby is approved by the Executive Council of the American Bankers' Association; and furthermore, that such certificates are hereby authorized to

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be issued hereafter in the name of the "AMERICAN BANKERS' ASSOCIATION, American Institute of Banking Section," and signed by officers of the American Bankers' Association together with officers of the American Institute of Banking.

(Report received.)

Currency Commission

A. B. HEPBURN, <i>Chairman</i> , New York City.	SOLOMON WEXLER, New Orleans, La.
JAMES B. FORGAN, <i>Vice-Chairman</i> , Chicago, Ill.	ROBERT WARDROP, Pittsburg, Pa.
MYRON T. HERRICK, Cleveland, O.	ARTHUR REYNOLDS, Des Moines, Ia.
FESTUS J. WADE, St. Louis, Mo.	E. F. SWINNEY, Kansas City, Mo.
JOSEPH T. TALBERT, Chicago, Ill.	JOSEPH A. McCORD, Atlanta, Ga.
CHARLES H. HUTTIG, St. Louis, Mo.	W. V. COX, Washington, D. C.
JOHN PERRIN, Indianapolis, Ind.	JOHN L. HAMILTON, Hoopeston, Ill.
LUTHER DRAKE, Omaha, Neb.	FRED. E. FARNSWORTH, <i>Secretary</i> , New York.

While the Currency Commission of the Association made no formal report, Mr. John L. Hamilton, a member of the Commission, stated that they had been keeping in close touch with affairs at Washington, and had every assurance that the Federal Monetary Commission would confer with the Association's Commission before any bill on the currency question was submitted to Congress; that leaders both in the Senate and House appreciated the fact that the Committee of the American Bankers' Association, representing a body of over ten thousand bankers, should have some voice in the framing of any measure by the National Monetary Commission.

PRESIDENT REYNOLDS.—I wish to say that I think it would be well if the members of this Council, as well as the members of the Association generally, should thoroughly understand that Senator Aldrich and the leaders of the Currency Commission wish the fullest co-operation possible with the American Bankers' Association. Personally I had the honor to be invited by that Commission to visit Europe with it, and as President of the American Bankers' Association I have been the recipient of the confidences of the leaders of the Federal Currency Commission to such an extent that I know that at the proper time we will be invited to co-operate with them in the fullest possible measure. I think it is well that our people should understand that, and personally I believe that we should go forward without any prejudices and keep ourselves free from the recommendation of any plan or scheme until we first know what this Federal Monetary Commission is to recommend. If when that recommendation comes we can support it, then it will be our duty to do it whole-heartedly, and if we are not in sympathy with it at that time, it will be ample time to disagree with it. I simply wish to express to the members of the Association at large that I believe Mr. Aldrich and the other members of this Commission are going to do everything consistent in their power to encourage the fullest co-operation with all the members of this Association.

(Report received and made part of the Minutes of the meeting.)

Finance Committee

GEORGE M. REYNOLDS, <i>Chairman</i> , Chicago, Ill.	N. T. GILBERT, Lawton, Okla.
C. Q. CHANDLER, Wichita, Kans.	CHARLES B. MILLS, Clinton, Ia.
FREDERICK H. CURTISS, Boston, Mass.	BION H. BARNETT, Jacksonville, Fla.
D. S. CULVER, St. Paul, Minn.	FRED. G. MOFFAT, Denver, Col.
CHARLES E. WARREN, New York City.	F. J. WOODWORTH, Cleveland, O.

Further appropriations were asked for by various Sections and Committees for the balance of the current fiscal year, and on the recommendations of this Committee the same were granted.

(Report received, concurred in and recommendations granted.)

Committee on Negotiable Instruments Law

EDWARD D. KEYS, <i>Chairman</i> , Springfield, Ill.	HOMER A. MILLER, Des Moines, Ia.
GEO. F. ORDE, Minneapolis, Minn.	

The Committee reported the efforts made during the present year in behalf of the enactment of the Negotiable Instruments Law.

(The report was received and the Committee discharged with a vote of thanks for the work they have done in the past; the work of the Committee being referred to the Standing Law Committee.)

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Committee on Bills of Lading.

LEWIS E. PIERSON, *Chairman*, New York.

WILLIAM LIVINGSTONE, Detroit, Mich.

WM. INGLE, Baltimore, Md.

F. O. WETMORE, Chicago, Ill.

J. A. LEWIS, St. Louis, Mo.

MR. LEWIS E. PIERSON.—Immediately following the Denver Convention and in accordance with its instructions, specimens of the new Uniform Bill of Lading, recommended by the Interstate Commerce Commission, containing the provisions urged by our Committee, were distributed through the several Bill of Lading Committees of the State Banking Associations to bankers throughout the country, and we are glad to report that, with the exception of a few Southern railroads, practically every railroad is now using only these forms.

The Southern railroads, however, under sanction of the Interstate Commerce Commission, have adopted for their use uniform bills of lading similar in appearance, but differing in provisions vital to their interest during quarantine periods.

This great advance to uniformity is of immense benefit, not alone to bankers, but to the entire business community. It is not, however, binding upon the carriers, as the new document is but a matter of agreement, with its provisions liable to change at the whim of any carrier, and it is with regret that we even now notice that some carriers are nullifying various provisions by stamping new conditions on the document.

To overcome this vital defect your Committee is laboring to secure State and National legislation, which, in addition to enacting into law the essentials of the document, will also hold the carrier civilly and its agent criminally liable where the bill of lading is issued without receipt of the goods, or where proper delivery is not made after receipt.

In view of the delay in the work of the Commissioners on Uniform State Laws and the urgent requests for action from various sections of the country, and under resolutions adopted at the Conference of State Banking Association Bill of Lading Committees at Denver last October, the Counsel of the Association, under the supervision of our Committee, drafted a Bill of Lading Act for introduction in the Legislatures of those States where the law was grossly deficient and where some Legislatures convened in 1909 and not again until two or more years later.

Copies of the Act were promptly sent to the Bill of Lading and Legislative Committees of the State Associations and introduced in the Legislatures of the following States:

Illinois,
Michigan,
South Carolina,

Pennsylvania,
Iowa,
North Carolina,
Wyoming,

Minnesota,
Washington,
Oklahoma,

and while a number of the Legislatures are still in session, yet we are glad to report that the act has been passed in the States of

Washington,

Wyoming,

Minnesota.

And I was informed by Mr. James, of Pennsylvania, that it has also passed both Houses in Pennsylvania.

It also passed one House in Iowa, North Carolina and Oklahoma.

This gratifying result is due not only to the efforts of the Banking Committees of those States, but to the strong support given the measures by the mercantile interests.

In Congress your Committee has labored continuously in co-operation with many mercantile organizations and this winter appeared with counsel at four largely attended hearings before the sub-committee of the Interstate and Foreign Commerce Committee of the House having the bill in charge.

I might say that at the next to the last hearing, at which there was a large attendance of railroad attorneys and the Chairman of the Uniform Bill of Lading Committee of the carriers, testimony was there given by that chairman of the carriers which showed conclusively that the railroads were now issuing and were increasing the issue of bills of lading prior to the receipt of the goods, believing that in the next day or two the goods might be put in the cars and forwarded—the purpose being to give the merchants or the shippers immediate possession of the document so that he could get a loan on it from his local bank. And that testimony evidently made a great impression upon the sub-committee. We were informed by the chairman of that sub-committee that its three members were universally in favor of our proposed legislation, but it was near the closing of the session and useless to attempt any further work at that session.

We also spent, or the Chairman spent, two or three days in Washington in endeavoring to find the exact situation in the Senate, with an idea of securing there the best possible ally to work with in the coming session. We have been given the written support, or consent to support the measure, by Senator Crane, of Massachusetts, at the next session. We understand he is the real working member of the Senate at this time.

These hearings were attended by the representatives of all interests, including the carriers; full discussions were had, and the merits of our proposed measure were urged and opposed from different view-points.

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As a result of these and previous hearings, we believe the proposed legislation has resolved itself into a condition which now successfully meets all their objections, and with continued effort next session are confident of final success.

At the suggestion of a number of important mercantile interests, our approval was granted to the form of resolutions which have recently been passed by various Boards of Trade and Exchanges throughout the country, which provide that hereafter no drafts be paid by their members when the bill of lading attached shall have been issued by the carriers without the following safeguards:

1. Every bill of lading must, in addition to the signature, bear also the official stamp of the authorized issuing agent, such stamp giving date of his signature.

2. All the writing on said bill of lading must be in ink or indelible pencil, and the quantity received for must be written in full in addition to the numerals.

We believe the universal adoption of these safeguards will operate to the advantage of all, including the carriers, and very largely tend to avoid future losses through forgery and alterations, and suggest that the Executive Council, by resolution, endorse this action of our mercantile friends, with the recommendation that members of the Association hereafter only take for cash or collection bill of lading drafts where the bills of lading attached conform to these resolutions.

At the request of Congressman Stevens, of Minnesota, Chairman of the Sub-Committee of the House Committee on Interstate and Foreign Commerce, our counsel prepared a digest of State laws on bills of lading covering civil liability of carriers and criminal liability of their agents for issuing false bills and delivery without surrender of documents, also a digest of the bill of lading laws of foreign countries, including England, Belgium, Denmark and Russia, France, Germany, Holland, Italy, Mexico and Spain, all of which is made a part of this report, as is the report of our Counsel on the points of difference in the Uniform Bill of Lading first approved by the Interstate Commerce Commission for all railroads and the later approved form for Southern railroads, together with copy of the Act prepared for State adoption and in Congress.

April 20th our Counsel attended the session of the Committee of the Commissioners on Uniform State Laws charged with drafting their proposed Bill of Lading Act for State adoption, at which meeting considerable progress was made, and it is hoped that the final draft of their act will be ratified at their convention this summer.

The vast and intricate nature of the subject and the fact that four separate interests are affected and the enactment of adequate laws governing these documents has rendered progress necessarily slow, yet comparison of the situation to-day with what it was three years ago, when your Committee was created, shows a most satisfying degree of progress.

Your Committee is grateful for the valuable assistance of many bankers throughout the country, and especially appreciates the efforts of the Chairman of the Council, Mr. F. O. Watts; our Treasurer, Mr. P. C. Kauffman; Mr. F. A. Chamberlain, Chairman of the Bill of Lading Committee of Minnesota; Col. Bruton, of North Carolina, and other bankers, and has been glad to heartily co-operate with the hard-working Committee of Merchants, appointed at the Atlantic City Bill of Lading Conference two (2) years ago, particularly Mr. George W. Neville, Mr. L. Mandelbaum, of the New York Cotton Exchange, and Messrs. C. F. Droste and H. Dunkak, of the New York Mercantile Exchange; Mr. Theodore F. Whitmarsh, Vice-President, and Mr. William C. Breed, Counsel of the National Wholesale Grocers' Association, and Mr. Albert M. Read, President of the National Board of Trade.

(Report received and made part of the Proceedings.)

RESOLUTION CONCERNING BILLS OF LADING.

The following resolution was also unanimously adopted:

WHEREAS, MANY OF THE BOARDS OF TRADE AND COMMERCIAL EXCHANGES THROUGHOUT THE COUNTRY HAVE ADOPTED RESOLUTIONS PROVIDING THAT HEREAFTER NO DRAFTS BE PAID BY THEIR MEMBERS WHEN THE BILL OF LADING ATTACHED SHALL HAVE BEEN ISSUED BY THEIR CARRIERS WITHOUT THE FOLLOWING SAFEGUARDS:

"1. EVERY BILL OF LADING MUST, IN ADDITION TO THE SIGNATURE, BEAR ALSO THE OFFICIAL STAMP OF THE AUTHORIZED AGENT, SUCH STAMP GIVING DATE OF HIS SIGNATURE.

"2. ALL THE WRITING ON SAID BILL OF LADING MUST BE IN INK OR INDELIBLE PENCIL, AND THE QUANTITY RECEIVED FOR MUST BE WRITTEN IN FULL IN ADDITION TO THE NUMERALS."

AND WHEREAS, IT IS THE BELIEF OF THE EXECUTIVE COUNCIL OF THE AMERICAN BANKERS' ASSOCIATION THAT THE ADOPTION OF THESE SAFEGUARDS WILL OPERATE TO THE ADVANTAGE OF ALL, INCLUDING THE CARRIERS, AND VERY LARGELY TEND TO AVOID FUTURE LOSSES THROUGH FORGERY AND ALTERATIONS; THEREFORE BE IT

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RESOLVED, THAT THE EXECUTIVE COUNCIL OF THE AMERICAN BANKERS' ASSOCIATION HEARTILY ENDORSES THE ACTION TAKEN BY THE MERCANTILE ORGANIZATIONS ABOVE REFERRED TO, AND RECOMMENDS THAT THE MEMBERS OF THIS ASSOCIATION HEREAFTER ONLY TAKE FOR CASH OR DIRECT COLLECTION BILL OF LADING DRAFTS WHERE THE BILLS OF LADING ATTACHED CONFORM TO THIS RESOLUTION, AND BE IT FURTHER

RESOLVED, THAT THIS RESOLUTION BE PRINTED IN THE JOURNAL, AND A MARKED COPY BE SENT TO THE SECRETARY OF EACH OF THE SEVERAL STATE BANKERS' ASSOCIATIONS, WITH THE REQUEST THAT A SIMILAR RESOLUTION BE INTRODUCED AND PASSED AT THEIR CONVENTIONS THIS YEAR.

Standing Law Committee

W. J. FIELD, *Chairman*, Jersey City, N. J.
HENRY DIMSE, New York City.
HENRY B. WILCOX, Baltimore, Md.

P. C. KAUFFMAN, Tacoma, Wash.
JOHN K. OTTLEY, Atlanta, Ga.
THOMAS B. PATON, New York City.

(*In part*)

The Standing Law Committee held a meeting at the Bellevue-Stratford, Philadelphia, on November 17, 1908, at which all the members except Mr. Kauffman were present, with General Counsel.

At the November meeting, our Committee took up the resolution of the Executive Council passed October 1, 1908, that the matter of the advisability of having prepared an American Bankers' Association form of burglary policy be referred to the Standing Law Committee and the counsel for the Association.

After discussion it was

RESOLVED, That the advisability of having prepared an American Bankers' Association standard form of burglary policy is not regarded as within the province of the Standing Law Committee and the same is referred back to the Executive Council with the suggestion that, if in their judgment such form of policy be prepared, the matter should be referred to a special committee for that purpose who could act in conjunction with the General Counsel of the Association.

The following recommendation contained in the report of the Committee on Credit Information to the Denver Convention was taken up for consideration:

We also recommend that the Association refer to the Standing Law Committee the matter of securing the enactment of a statute providing for the severe punishment of any officer of a corporation convicted of obtaining money for such corporation by means of a false statement signed by him.

It was moved that General Counsel investigate the subject and draft a law broad enough to cover all cases of persons obtaining money by means of false credit statements.

Pursuant to resolution of our Committee, General Counsel prepared a pamphlet containing drafts of a number of proposed laws with explanatory notes, for the use of members of the American Bankers' Association and legislative committees of State Bankers' Associations of States where any of such laws were needed and in which the legislatures met during 1909. This pamphlet was approved by our Committee and circulated in forty States and territories where the legislatures convened during 1909. Copy of this pamphlet is annexed to this report.

Following are the results of laws recommended in the pamphlet and reported as enacted the present year down to date:

The Negotiable Instruments Law has been enacted in New Hampshire and Oklahoma. The Warehouse Receipts Act has been enacted in California, Pennsylvania, New Mexico and Nebraska. The law to punish the making or use of false statements for credit has been enacted in Michigan, Minnesota, Montana and Wyoming. It also passed both Houses of the New Jersey legislature, but was vetoed by the Governor, no reasons being given. The law defining and punishing the crime of burglary with explosives has been passed in Idaho, Minnesota, Oklahoma, Washington and Wyoming.

The law fixing the time limit of responsibility of a bank which has paid a forged or raised check has been passed in Iowa, Montana, North Carolina, North Dakota and Wyoming. In Iowa and North Carolina the limit is fixed at six months and in North Dakota thirty days. The act punishing the giving of a check or draft with insufficient funds has been passed in Montana and Wyoming.

The act providing for the payment of two-name deposits has been passed in Montana, and the act concerning payment of deposits in trust has also been passed in Montana and in North Carolina in modified form.

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The act amending the Negotiable Instruments Law by inserting the words "becoming payable" after "falling due" in the maturity section, has been passed by the New Jersey legislature, and the further amendment defining when a time instrument may be paid by a bank has been enacted in Montana and New Jersey.

The law providing the competency of bank notaries who are stockholders or officers has been passed in Montana, New Jersey and Wyoming.

This result is most gratifying. The time is too early to make a complete report of banking legislation enacted the present year. A general banking law has been passed in California and Guaranty of Deposit laws in Kansas, Nebraska and South Dakota. In the last-named State, however, the establishment of a guaranty fund is not compulsory, but left to the initiative of the banks. Numerous other amendments of banking laws have been made in different States. At the fall meeting full report concerning legislation affecting banks will be made.

(Report received and ordered spread upon the Minutes.)

The preparation and adoption of a certain form of standard burglary insurance policy was referred to the General Counsel to investigate different forms of policy now in vogue, and later on a committee will be appointed to further consider the matter.

Federal Legislative Committee

ARTHUR REYNOLDS, *Chairman*, Des Moines, Ia. JOSEPH A. MCCORD, Atlanta, Ga.
E. F. SWINNEY, Kansas City, Mo. W. V. COX, Washington, D. C.
JOHN L. HAMILTON, Hooperston, Ill.

A verbal report was made by the Chairman of progress made.

(Report accepted and spread on the Minutes.)

Committee on Express Companies and Money Orders

FRED I. KENT, *Chairman*, New York, N. Y. THORNTON COOKE, Kansas City, Mo.
MILTON E. AILES, Washington, D. C. E. D. DURHAM, Onarga, Ill.
JOSEPH CHAPMAN, JR., Minneapolis, Minn.

There are three matters to be reported upon, which will be taken up separately and in the following order: First, the case of the American Bankers' Association *vs.* the Express Companies before the Interstate Commerce Commission; Second, Money Orders; Third, Travelers' Cheques.

EXPRESS CASE.

The Interstate Commerce Commission handed down a decision on the two points of the case that were before them for preliminary consideration. The Commission has only rendered a decision upon two points; first, the question raised by the Express Companies as to jurisdiction, which was put forward through a motion to dismiss. The Commission found for the plaintiffs on this point, which proves the contention of the Association to have been correct that the Interstate Commerce Commission was the proper court in which to bring action, and that they have the authority to extend relief. We quote from our attorneys on this point: "One vital thing that the opinion of Commissioner Clark decides is that the Interstate Commerce Commission has jurisdiction to entertain the complaint. This point was vigorously contested, and has been put at rest in our favor."

The second question involved was the subpoena duces tecum for the production of the books of the Express Companies. The decision on this point was for the defendants. The cost involved in making an examination of the books, should they be produced, together with the many months of time it would probably take to make a careful examination of them, undoubtedly determined the Commission on this point more than anything else. There is no question but that our case is made somewhat more difficult through the refusal of the Commission to call for the books of the Express Companies, as the currency shipments that they make for themselves can only be determined from such books, and while evidence presented before the Commission at the first hearing held in New York City clearly showed that such shipments were made, the amount is very difficult, if not impossible, to determine without reference to the Express Companies' books.

Before going on with our case, we should have the decision of the United States Supreme Court in the commodity clause case, now pending before it, for if the Supreme Court affirms the opinion of Justice Gray in this case, it would necessarily change the form of our action.

The case was set for the taking of testimony and further hearing April 26, 1909, but rather than call an extra meeting of the Committee before the regular meeting, May 3d, we requested our attorneys to have the case postponed, if possible, until after this meeting. The Commission acceded to our request but have not yet set a new date.

MONEY ORDERS.

Judging from the correspondence received in answer to circulars sent out concerning the travelers' cheques of the American Bankers' Association, which were in many cases misunderstood, and taken to apply to money orders, it would seem that the demand of country bankers for the money order of the Association is even greater than your Committee supposed, and on this account the American Surety Company will be asked to start an aggressive campaign and place the orders in the hands of bankers who desire them as rapidly as possible. Before doing this, it is greatly desired that the improvements suggested by your Committee at the meeting held in Lakewood, N. J., be carried out. The principal alteration desired in the money order as issued at present lies in arranging to have so-called redemption points at various cities in the country. Such points have been arranged for satisfactorily with the Clearing Houses of the required cities, with the exception of those in the Far East. Boston and Philadelphia seem to be awaiting the action of the New York City Clearing House before taking action themselves, and as there seem to be unsurmountable difficulties in having the proposition passed upon by the New York Clearing House, the matter has been delayed somewhat, although your Committee has made every effort to arrange the matter.

Now that the actual conditions are known, the Committee will arrange with the Surety Company along the new lines necessary, and will endeavor to spread the knowledge and use of the money orders every way possible, using the names of the cities upon the back of the orders that have already agreed to such use, with such provisions to take care of those who may be obliged to draw their orders upon Chicago and St. Louis, as is necessary in each particular case.

The money orders of the Association should be used in far greater number, and should total a much greater amount than the travelers' cheques, and judging from the letters of bankers all over the United States, they are now ready to take up this proposition in a way that they have never done in the past, and with the money order of the American Bankers' Association in general use, it should ultimately mean an increase of this class of business to bankers as a whole, amounting to some hundreds of millions of dollars a year. It would take some co-operation to bring it about, but bankers seem more disposed to-day to co-operate along such lines than they ever have been in the past. The reason for this is undoubtedly due entirely to the most excellent work that has been accomplished by the American Bankers' Association during recent years along lines for the interest of bankers as a whole, such as that done by the Bill of Lading Committee, the Currency Commission, the Uniform Law Committee, etc.

The American Surety Company will be asked to make a complete report to the Committee before the meeting of the Council at the Convention in Chicago, showing the increase in the use of money orders, with the changes that are to be put in operation, together with the detail of such changes, all of which were outlined to the Council at the Lakewood meeting and in this report. The minor detail is still to be arranged with the Surety Company, but could not be undertaken until the meeting of our Committee held yesterday.

TRAVELERS' CHEQUES

The agreement between the American Bankers' Association and the Bankers' Trust Company, made in April, 1908, was broadened into a contract along the lines of the agreement, to take effect January 1, 1909. In this contract the Trust Company agrees to handle the travelers' cheque proposition of the American Bankers' Association along exactly the same lines that the American Surety Company does the money order system, with the addition of special matters in the handling of funds required by the travelers' cheque proposition that are not necessary in the money order system.

Due to the necessity of arranging protection for travelers' cheques all over the world, it was necessary to have funds received against cheques sold remitted to the central institution handling the matter for the Association for distribution to proper points.

The machinery necessary to successfully accomplish this part of the plan is the only difference of any moment between the money order and the travelers' cheque systems.

Appended is a list of questions that have been asked by various bankers interested, together with their answers.

The Bankers' Trust Company has not only carried out their agreement with the

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Association in placing the American Bankers' Association Travelers' Cheques upon the market in time for this season's travel, but has as well, in order to show their good faith in the matter, extended to bankers using the system various advantages that they were not called upon to do in their contract. For instance, while the agreement authorized the Bankers' Trust Company to demand a remittance to them of one-half of the commission where cheques were sold for use in the United States and Canada, the Trust Company, after receipt of advice from thousands of bankers throughout the United States that they would cash travelers' cheques of the American Bankers' Association at par, reciprocated by waiving their right to half of the commission where cheques were sold for use in the United States. When this notice was sent out, it immediately called forth a similar reduction in the rates of the Express Company. American bankers should realize, however, that this extra profit offered them by the Express Company was only done because of the efforts of the American Bankers' Association to take over this business for their members, and that they should, therefore, stand by the Association, and use their cheques, and not place the Express Company in position to raise their rates again.

The Trust Company has also undertaken some direct advertising to the people at considerable expense, with the idea of helping bankers to make a market for their cheques.

A man is at present in Europe going from shop to shop and hotel to hotel familiarizing the proprietors with the cheques of the American Bankers' Association, and showing them how greatly it will be to their interest to have all tourists carry such cheques, because of the ease with which they can determine their authenticity.

Special articles have also been written in various languages for the principal European newspapers.

Cheques have already been returned to us that have been cashed by railroads and hotels, as well as bankers and others.

Hotel-keepers, both in Europe and America, have written us that they are much pleased with the plan, and think that a general use of these cheques will reduce their risk very materially when accommodating tourists.

With the American bankers generally using travelers' cheques of the American Bankers' Association where they have a demand for such service, and money orders of the Association where required, the business that has been gradually taken away from them by the Express Companies during recent years should begin to return to them, and in the course of a comparatively short time the whole of this class of business should be in the hands of legitimate bankers who are properly organized under the laws of our country to receive the money of the people.

LIST OF QUESTIONS THAT HAVE BEEN ASKED BY BANKERS INTERESTED IN TRAVELERS' CHEQUES OF THE AMERICAN BANKERS' ASSOCIATION, TOGETHER WITH ANSWERS

Are the cheques for use in the United States? If so, are tourists who purchase them to receive the face amount wherever they may desire to cash them?

The cheques are for use in the United States, as well as abroad, and every banker in this country has received special instructions, requesting him to pay travelers who present the cheques for encashment the face amount, and to draw upon the Bankers' Trust Company for exchange, if any is charged. The majority of bankers have agreed not to make any charge.

Will the cheques be available in the hotels and shops of Europe, as well as at the bankers mentioned in the list of correspondents?

Arrangements have been made with foreign bankers to introduce the cheques properly wherever it is necessary. For instance, in Switzerland arrangements were made with our bankers to deliver specimens of the cheques, together with instructions, to every hotel company in the country by special messenger, who, at the time of making delivery, will advise the hotel proprietors that they may safely honor the cheques, and that the banker making the delivery will protect them in so doing.

Do the cheques carry the identification of the purchaser?

At the time the cheques are sold by bankers the purchaser places his signature upon the face of the cheques on a line left for that purpose. When he wishes to cash the cheques, he signs his name again on another line, also on the face of the cheques, in the presence of the party who is to cash them. If the two signatures correspond, the party who pays the cheques is justified in doing so, and the identity of the holder is thus established.

What safety devices have been introduced into the cheque to prevent its being counterfeited?

Three safety devices have been introduced into the cheque: first, a carefully-engraved face; second, geometrical lattework in three colors upon the back, one placed over the other in such a manner as to defy photography (this is practically impossible to copy successfully); and third, two columns of planchettes or small paper discs in colors that have been imbedded in the paper at the time of its manufacture. This is an extremely difficult process, as the planchettes must be contained within the paper, and not protrude on either side. In order to successfully counterfeit the cheques, therefore, it would be necessary for expert paper manufacturers and expert engravers to undertake the work, and even then the result would probably be readily recognized by the least expert.

Are pocketbooks, fasteners, lists of correspondents, application blanks, etc., furnished without cost? All such supplies are furnished by the Trust Company without cost.

What is the expense to issuing banks?

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The only expense to issuing banks is a charge at the rate of \$10.00 per thousand blank cheques, all other expenses being borne by the Trust Company. This cost does not include alone the printing of the name of the issuing bank upon the cheques, but goes more particularly into the special safety devices to prevent counterfeiting that have been introduced into the manufacture of the cheque at the request of the American Bankers' Association. By means of these special features, bankers will be in position to issue handsomely-engraved cheques over their own names, good in every part of the world, which will place them in a more dignified position before their customers and others than bankers in this country have ever been in the past. At the same time, all bankers will be perfectly safe in cashing each other's paper, because its authenticity can be determined beyond question, and all regularly-issued cheques will be paid by the Bankers' Trust Company. This charge was thought necessary by the Association, in order to prevent bankers ordering their names printed upon supplies which they would never use, and, therefore, place an unnecessary cost on the system. It was also considered that this small charge, amounting to a cent on each cheque, will be more than made up through other advantages that the general use of the system will give.

What do European bankers think about it?

European bankers are heartily in accord with the plan for several reasons. In the first place, it will simplify their work very materially, as they will not be required to supply their numerous branches with multitudinous forms and signatures, in order to place them in position to identify the paper of many institutions; second, they much prefer to handle bankers' paper, and object to the competition of express companies as seriously as do American bankers. Several of the large foreign institutions have offered to instruct their branches to refuse to cash express cheques, should the American Bankers' Association desire to have them do so. As the Association does not care to discommod the public in any way, but instead wishes to extend to them a service better than that which they already have, while at the same time furnishing it through their members, who are chartered and organized for the purpose of doing such business, they refused the offer of foreign bankers to co-operate in this manner, and have requested that they, for the present at least, continue to accommodate travelers carrying express cheques.

What is the principal advantage?

A uniform cheque with safety devices, easily distinguishable, and of a character that will impress itself upon all those who see it. Such a piece of paper used by many institutions will become so well known to both the public and the bankers that they cannot be fooled by counterfeits. Bankers to-day throughout this country, as well as abroad, are cashing miscellaneous paper for travelers. While they are not compelled to do so, and make such payments largely as a matter of accommodation, yet when cashing such paper they are taking risks. Some insure themselves against such risks by making a heavy charge for cashing the paper, which is an inconvenience to the customer, as the chances are he paid for the service when buying his exchange. If every tourist carried travelers' cheques of the American Bankers' Association, every banker called upon to cash them would be assuming less risk in doing so than he is to-day when accommodating the traveling public. The customer will not meet with a charge for his exchange, except when he purchases same, and bankers, by reciprocating and cashing each other's paper at par, will be placing themselves in position to issue their own travelers' cheques, making the full profit, and which will be cashed for their customers at par wherever they may desire to use the money. Many bankers to-day are issuing their New York exchange to their customers for use when traveling. Often the standing of different institutions is such that every banker in the United States would willingly cash the paper, but the chances are very great that bankers may be called upon by tourists carrying such paper where the signatures of the issuing bank are unknown. If these bankers had issued the travelers' cheques of the American Bankers' Association to their customers, the bankers called upon to cash them would not need to know their signatures in order to protect themselves, and the issuing banker would, therefore, be giving his customers better service, and be putting a less burden upon the banker who cashed the paper.

The difficulty in counterfeiting the cheques is of particular benefit to bankers who may be called upon to cash them. The greatest safety, however, does not lie as much in the fact that the cheques are difficult to counterfeit as in the ease with which the safety features introduced may be recognized. Anyone able to manufacture the paper and counterfeit the engraving of the cheques sufficiently well to be able to fool the least expert would have to be such a high-class workman that he could obtain wages for honest work that would preclude the necessity or desire of his part to make the attempt. Again, due to the fact that the denominations do not exceed \$100.00, and that any banker who is called upon to cash \$1,000 or more of the cheques at a time would naturally scrutinize them very closely, because the ordinary traveler does not use travelers' cheques for obtaining funds in large amounts, a counterfeiter, in order to obtain enough money from successful counterfeits to pay for the trouble of making them, would be required to obtain his funds from many sources. This would take many days to accomplish, during which the first cheques cashed would be presented for redemption, and the forgery exposed. On this account, it would not pay a counterfeiter to attempt to forge the Association cheques, for even if he were so inclined, he would naturally turn his attention to some paper easier to realize upon.

Are all cheques printed with the names of various banks to be delivered to the banks at once?

The general plan contemplates a delivery to bankers whose names are printed upon the cheques of such numbers of blanks as each will require to place him in position to accommodate his customers. The balance of the printed cheques are to be held by the Trust Company. As fast as banks sell the cheques to their customers in sufficient numbers to make it worth while, the Trust Company will immediately forward to them from the supply of blanks. This will make it possible for bankers to carry a minimum number of cheques in their own vaults, and at the same time not be subject to the delay that would otherwise be necessary while the cheques are being printed.

The American Bank Note Company are to hold in their vaults engraved cheques ready to be printed. With this system in working order, bankers selling travelers' cheques of the American Bankers' Association will never have to wait for a supply. They will have in their own vaults printed cheques, the Bankers' Trust Company will have in its vaults further printed cheques, and the American Bank Note Company will hold cheques ready for printing.

Some bankers have suggested that all of the cheques printed with their name be delivered to them. This would break the chain, and might subject them to delay in receiving the cheques, should they overlook the fact that their supply was running low.

What proportion of the printed cheques does the Bankers' Trust Company deliver to bankers issuing them?

An original consignment has been made to each bank of such a number of cheques as it is supposed will cover their needs. As the system works out, and their demand for them develops, the supply will be adjusted to meet such demand. The bookkeeping of the Trust Company is arranged especially to protect bankers in this respect. The intention of the Association, as being carried out by the Trust Company, is to make the plan as convenient to bankers as possible, and save them the necessity of watching their own supplies of printed cheques.

(Report received.)

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

Committee on Credit Information

JOS. T. TALBERT, *Chairman*, Chicago, Ill.
THOMAS P. BEAL, Boston, Mass.
WILLIAM A. LAW, Philadelphia, Pa.

ROBERT A. PARKER, New York.
H. P. HILLARD, St. Louis, Mo.
J. H. FULTON, New Orleans, La.

A verbal report was made by Mr. Law, coupled with request for discharge of the Committee.

(Report received and the Committee discharged with a vote of thanks for services rendered.)

Committee on Uniform Stationery and Tints

JOHN SCHUETTE, *Chairman*, Manitowoc, Wis. W. V. COX, Washington, D. C.
FRANK D. STALNAKER, Indianapolis, Ind.

No report to make.

(Vote of thanks to the Committee and the Committee discharged.)

Committee on Voucher Checks

CLAY H. HOLLISTER, *Chairman*, Grand Rapids, Mich. S. H. BURNHAM, Lincoln, Neb.
M. E. AILES, Washington, D. C. A. KAVANAGH, New York, N. Y.
E. F. SHANBACKER, Philadelphia, Pa.

Your Committee on Voucher-Checks, following out your instructions, have been able during the last six months to make a full and detailed report to the members of the American Bankers' Association.

Believing that the greatest progress was to be made by co-operation with other bodies who were large users of voucher-checks, we invited to a joint conference representatives of the American Association of Public Accountants, of The Association of Railway Accounting Officers, and of the Society of Railway Financial Officers. This conference had two sessions at different times and the result of their recommendations were incorporated in a supplement to the JOURNAL of the American Bankers' Association in the January, 1909, issue. In that number sample forms were suggested and commented upon in order that the reasons for recommendations should be easily manifest to all who were interested. The great users of voucher-checks—the railroads, were ably represented. There is no doubt that the recommendations of the committees will do much toward simplifying their present variety of forms, and some prominent railroads, including the Illinois Central, already have adopted new forms based upon our recommendations, and are using them to great advantage. The office is constantly receiving requests for copies of the supplement from accountants in all sorts of offices. The banks themselves, members of the Association, can help materially by urging upon their clients the use of these correct forms for checks.

We, your Committee, now beg leave to be discharged, and ask that our recommendations be called to the attention of banks from time to time by proper notice in the JOURNAL in order that the work that has been once done at considerable expense to the Association may not have to be done over again.

We would suggest that the slight detail involved in perpetuating the work of this Committee be left in the hands of some standing committee at the pleasure of the Council.

MR. HOLLISTER: I may say, gentlemen, that you have probably all seen this supplemental number of the BANKERS' JOURNAL, which contains the proposed and recommended forms. Those have been sent out to each member and yet there are a large number of copies still in the Association office which can be of service to new members and outsiders inquiring for them.

I wish to add my word of tribute to the very conscientious and careful work and service which was given to our Committee by the men in charge of the office by our General Counsel and our Secretary, and to assure you of the appreciation which these railway committees have of the sort of hospitality we show and of the kind of equipment we have for handling work of this kind. They have been very enthusiastic in their comments about our offices and about the character of them, and it lent a great deal of dignity to our work, that we had so good a place to work in. I am sure we did a great deal by reason of the facilities afforded us which would not have obtained if we had not had such ample facilities.

(Report received and spread upon the Minutes; the Committee discharged with a vote of thanks for the efficient services rendered, and the further carrying on of the work placed in the hands of the Clearing House Section.)

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

Protective Committee.

(In part)

For the period covering September 1, 1908, to April 28, 1909, inclusive, your Committee begs to report as to its operations against criminals as follows:

	Special	General
Arrested September 1, 1908, to April 28, 1909.....	36	54
Arrested prior to September 1, 1908, and awaiting trial on that date.....	15	29
	<hr/>	<hr/>
	51	83
	Special	General
Convicted Sept. 1, 1908, to April 28, 1909.....	22	46
Convicted Sept. 1, 1908, to April 28, 1909, and sentence suspended.....	4	2
Escaped Sept. 1, 1908, to April 28, 1909.....	0	2
Released Sept. 1, 1908, to April 28, 1909.....	4	15
Killed resisting arrest, Sept. 1, 1908, to April 28, 1909.....	1	0
Awaiting trial, April 28, 1909.....	20	18

The Committee has expended on account of its work \$23,129.17, or \$2.30 per member on a membership of 10,048, as compared with the same period last year, which shows \$21,477.53, or \$2.31 per member on a membership of 9,297. The present period shows 751 more members and 14 more arrests than in the corresponding period of last year.

The detailed financial statement of the Committee has been printed in pamphlet form and distributed among you.

For the past two or three months your Committee has been investigating the operations of alleged commercial paper brokers who are engaged in the business of kiting notes. Your Committee has gone to considerable expense in this matter and would like instructions before further expenditures are made. We have requested the Secretary to make a further verbal report, and there are certain phases that can be explained. In our judgment we deem it advisable and believe the time has now come to give full notification to our members of the operations of this gang.

Your Committee think it advisable and will add the following to the present standing rules of the Protective Committee:

"The Committee cannot undertake action on any case unless immediate notice of crime has been given to the Secretary or such notice sent to the nearest Pinkerton office."

Also the following paragraph:

"The Committee will not take cognizance of cases where other than members are defrauded. If customers of members cash checks for unidentified strangers, and same turn out to be forged or raised, they must pursue the criminal through the county attorney's office or some detective agency at their own expense."

Your Committee has given careful study and thought to the protective department. We believe it to be the important feature of the work of the American Bankers' Association. Statistics for the past few years show that the class of crime embodied in our scope has materially decreased, and that the membership sign furnished our members is a warning to the professional criminal. We therefore ask your favorable consideration on the recommendations embodied in this report.

(Report received and spread upon the Minutes.)



MORTUARY RECORD OF MEMBERS FOR APRIL, 1909

The following list is compiled from the financial journals. If, in future, our members will advise the JOURNAL of the decease of any officer or director of their Institution, giving name, title, age and date of death, the same will be published.

BACON, JOHN LEMENT, President National Bank, White River Junction, Vt.
BRINKERHOFF, ANDREW H., Cashier Rutherford National Bank, Rutherford, N. Y.
COIT, AUGUSTUS, Assistant Cashier Uncas National Bank, Norwich, Conn.
COLE, W. E., President Cole Savings Bank, Fon du Lac, Wis.
CONNELL, WM., President Third National Bank, Scranton, Pa.
DAVIS, FREDERICK A. W., one time State V.-P. Am. B'ks' Ass., Pelham Heights, N. Y.
HENRY, WILLIAM, President Patrons' Co-operative Bank, Olathe, Kans.
HERRELL, JOHN E., Pres. Nat. Cap. Bk. and Pres. E. Wash. S. Bk., Washington, D. C.
HULL, JOHN C. FREMONT, Vice-President Am. National Bank, Los Angeles, Cal.
ISHAM, WM. B., one time Pres. B. & M. Guar. Co., V.-P. Bk. of Metropolis, N. Y.
JOHNSON, RICHARD, President First National Bank, Madison, Ind.
JOHNSON, WM., Pres. Hillsboro Co. Sav. Bk., Di'r Mer. Nat. Bk., Manchester, N. H.
LOCKEY, JOSEPH, President American National Bank, St. Paul, Minn.
MCMILLAN, T. C., Cashier First National Bank, Aberdeen, Miss.
MORRIS, GEO. L., President State Bank of Chatham, Chatham, N. Y.
MYERS, HERMAN, President National Bank, Savannah, Ga.
PALMANTEER, WM. G., President Central Bank, Oakland, Cal.
PEDDLE, WM., Director Bk. of N. Amer. Western Sav. Fund So., Philadelphia, Pa.
PERKINS, B. O., President City National Bank, David City, Neb.
REBER, J. C., Cashier Winter's National Bank, Dayton, Ohio.
SMITH, DELOS, Vice-President First National Bank, Edmeston, N. Y.
SMITH, HENRY D., President First National Bank, Appleton, Wis.
STRAUB, THEO. F., Director Anchor Savings Bank, Pittsburgh, Pa.
TAPPIN, JAS. W., Vice-President Trust Company of America, New York, N. Y.
VAN DYKE, J. H., Director National Exchange Bank, Milwaukee, Wis.
WILLIAMS, CHARLES H., Director Bank of Buffalo, Buffalo, N. Y.
WITMER, HENRY CLAYTON, Di'r 1st Nat. Bk., Met. Bk. & Trust Co., Los Angeles, Cal.
WOODWARD, B. J., Vice-President Tenth National Bank, Philadelphia, Pa.

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

THE offices of the Association, being so centrally located in the financial district—corner of Nassau and Pine Streets—make a very convenient place for members and their friends to meet when in New York. One of the large offices has been fitted up as a library and reading room, in which are kept on file the financial papers of the country and other current literature. Every facility has been provided for correspondence, and the Association's stenographers are at the service of the members, who can have their mail and telegrams sent in care of the office. The Association telephone is also at their service when they wish to communicate with the banks or their friends. The members are cordially invited to avail themselves of these privileges, and it is very much hoped they will do so.

The following visitors registered during the month of April:

JAMES R. FERENS, Treasurer Hudson Trust Co., West Hoboken, N. J.
Dr. J. W. BOWDEN, New York City.
CHARLES J. STRONG, Detroit, Mich.
PIERRE JAY, Vice-President Bank of the Manhattan Co., New York City.
T. M. ALEXANDER, *Journal of Commerce*, New York City.
DAVID H. PIERSON, Cashier Bank of the Manhattan Co., New York City.
B. D. FORSTER, Credit Department Bank of the Manhattan Co., New York City.
E. L. COEN, First Vice-President Erie County Banking Co., Vermilion, Ohio.
W. W. KERN, New York City.
B. V. LEIGH, Cashier Clinton National Bank, Clinton, N. J.
CHARLES W. SMITH, New York City.
C. F. ENRIGHT, Vice-President Missouri Valley Trust Co., St. Joseph, Mo.
C. B. HUBBARD, 10 Wall Street, New York City.
CHARLES A. CONANT, 32 Nassau Street, New York City.
BENJ. L. WEBB, Treasurer Cortland Savings Bank, Cortland, N. Y.
N. A. BUNDY, Cortland, N. Y.
E. N. SMITH, Burroughs Adding Machine Co., Detroit, Mich.
E. T. MATTOX, Merchants Exchange National Bank, New York City.
A. A. JACKSON, Vice-President Girard Trust Co., Philadelphia, Pa.
E. J. NEWELL, Cashier Peoples' Bank, Buffalo, N. Y.
RICHARD R. HUNTER, Assistant Secretary Equitable Trust Co., New York City.
A. WALLER MORTON, Bankers' Trust Co., New York City.
S. S. BROADUS, President Tennessee Valley Bank, Decatur, Ala.
MRS. BROADUS, Decatur, Ala.
MASTER BROADUS, Decatur, Ala.
C. C. BARLOW, Cashier Yale National Bank, New Haven, Conn.
C. B. MILLS, Vice-President Peoples' Trust & Savings Bank, Clinton, Iowa.
L. W. PARTRIDGE, Detroit, Mich.
C. F. REMINGTON, Detroit, Mich.
R. F. McNALLY, Cashier Citizens' National Bank, Chillicothe, Mo.
T. F. McNALLY, Third National Bank, St. Louis, Mo.
EDWIN CHAMBERLAIN, Vice-President San Antonio Loan & Trust Co., San Antonio, Tex.
GEORGE C. HALL, Assistant Cashier Staten Island Savings Bank, Stapleton, N. Y.
FREDERICK KASTEN, Vice-President Wisconsin National Bank, Milwaukee, Wis.
JOS. G. BROWN, President Citizens' National Bank, Raleigh, N. C.
HENRY M. LESTER, President The National City Bank, New Rochelle, N. Y.
F. P. RADCLIFFE, Jamaica, Long Island, N. Y.
M. J. MURPHY, Cashier Traders' National Bank, Scranton, Pa.
J. C. AINSWORTH, President United States National Bank, Portland, Ore.
LEWIS E. PIERSON, President Irving National Exchange Bank, New York City.
STEPHEN BAKER, President Bank of the Manhattan Company, New York City.
HENRY A. SMITH, Vice-President National Bank of Commerce, New York City.

It having become apparent through recent developments in the protective work of the Association that bank forgers are securing sample checks from engraving, printing and stationery houses, utilizing these samples for reproduction of checks and drafts, houses which furnish checks and drafts should not distribute samples promiscuously and banks should discourage this custom by notifying the firms from whom they secure their supply.



VOL. I

MAY, 1909

No. 11

FRED. E. FARNSWORTH, PUBLISHER

Secretary American Bankers' Association

THOMAS B. PATON, EDITOR

General Counsel American Bankers' Association

W. W. WAINE, ASSOCIATE EDITOR

BRANCH BANKS

THREE seems to be some misunderstanding among the members of the American Bankers' Association regarding the standing of branch banks as members.

Branch banks cannot receive any of the benefits of membership in the American Bankers' Association unless said branches are regularly entered for membership. That the membership fee might not be a burden to the banks which have many branches—by an amendment to the By-Laws made at our Denver meeting, branch banks are now given membership for \$10.00 a year, providing such banks have no separate capital. Under this arrangement, branches will be carried on the records of the Association as members, separately from the parent bank; will receive the cipher code, the sign, and all other paraphernalia given to members; also the benefit of the protective feature, for which the Association pays the Pinkerton National Detective Agency the retainer fee.

The dues for branches is so nominal an amount, that all the branch banks of the country should be members of the American Bankers' Association.

The Currency Question

The panic of 1907 emphasized the fact that one of the most intricate problems to be solved by this government was the currency question. A National Monetary or Currency Commission was therefore organized to wrestle with the fundamental phases which would naturally enter into such important legislation.

Last fall the Commission called on the banks and financial institutions of the country to furnish it with statistics on the receipts and shipments of cash by and from the banks within a period of five years, which statistics would enable the Commission to understand, in some measure, the underlying currents of trade and commerce, the special demands made at various seasons of the year for the financing of the crops, the relation of the banks to the Federal Treasury, the automatic ebb and flow from the interior to the larger financial centers, and from New York toward the interior of the country.

Notwithstanding that it took Germany five years for a complete investigation upon which could be based the national currency system of that country, our Currency Commission worked with such speed and had such ample resources at its command, that it now has all the essential details in hand for a foundation on which to build a sound and equitable money system that will meet all demands. There is not a feature of banking or any detail of currency methods familiar to the bankers of Europe with which the Commission is not thoroughly conversant, as it will be remembered members of the Commission visited Europe and obtained valuable data.

One of the most important adjuncts to the work accomplished has been the labors of the Currency Commission of the American Bankers' Association, and as this Commission

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is composed of some of the greatest financiers of the country, its work has been of inestimable value. The *Public Ledger* of Philadelphia of April 8th says: * * * "What the American Bankers' Association undertook somewhat hastily, and yet as thoroughly as possible, some three years ago, namely, the preparation of recommendations for modifying or amending our currency laws, undoubtedly led to the perfecting of the greater and exhaustive plan represented by the work of the National Currency Commission."

The Executive Council of the Association at its spring meeting at Briarcliff Manor the beginning of the month and the Currency Commission and Committees, which met at the same time, discussed many features pertaining to this great question, which will result in a further advancement of the work yet to be done.

Uniform Bills of Exchange

While the international bill of exchange now in vogue is an instrument very comprehensive in its simplicity when transactions covered by same runs smoothly, many differences arise as to the order of the liability of endorsers in different countries, and little legal technicalities in case of defects of form in the bill, default in payment, etc.

Bills of exchange have acquired so firm a footing, notwithstanding some difficulties in enforcing claims under them in different jurisdictions, that there is probably not one per cent. of the bills drawn in our international commerce about which serious dispute arises, but it is to guard against these contingencies that the different governments of the world appreciate the necessity for a conference to formulate and perfect a system of uniformity of legal policy and interpretation of bills of exchange the world over. To this end plans are now in progress for such a conference at the Hague, and the world powers will be well represented by their most able men who have made finance a life-study.

The appointment by Secretary of State Knox of Mr. Charles A. Conant of New York City as the delegate of the United States to the conference meets with universal satisfaction. The financial community realize that the long, practical experience of Mr. Conant in the organization of foreign currency systems and as a member of the commission on international exchange fits him well to handle the question.

We would advise that those interested in the matter write to Mr. Conant, 34 Nassau Street, New York, if they have any suggestions to offer.

State Associations at New Orleans

After the adjournment of the conventions of the Alabama, Texas and Mississippi Bankers' Associations in their respective States, they will take special trains to New Orleans to attend the convention of the Louisiana Bankers' Association, May 13, 14, and participate in the hospitality extended them by the last-named Association and the New Orleans Clearing House Association.

State Associations at Seattle

On the invitation of the Seattle Clearing House Association, the State Bankers' Associations of Washington, Idaho and Oregon will hold a joint convention in that city June 24, 25, 26, and as the Alaska-Yukon-Pacific Exposition will be in progress at that time, an unusually large attendance is expected.

The American Institute of Banking will also hold their convention in Seattle June 21, 22, 23, and will attend the Exposition, and a number of them stop over and visit with the other bankers in the city.



CLEARING HOUSE SECTION

Clearing House Examinations

BY STANLEY YOUNG,

(Of Arthur Young & Co., C. P. A.)

Examiner for Kansas City Clearing House Association.

In a recent article in the JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION the main features and limitations of bank examinations have been admirably dealt with by Mr. Joseph T. Talbert. The nature and purposes of Clearing House supervision are lucidly set forth, and the public is justly warned that no system of inspection and examination can be evolved which will prove an antidote to all defective banking or a guarantee against possibility of insolvency.

In the course of Mr. Talbert's article, and in subsequent articles in the JOURNAL, the methods followed in the course of Clearing House examinations at various points where the system is in use have been explained. These methods do not materially vary in the different centers, nor is it the purpose of this article to detail the work as carried on in Kansas City.

The obvious functions of Clearing House Examiner relate to the prevention of unsound or dishonest methods, and to the giving of timely warning by the Executive Committee to any bank engaged in dangerous business. It has been the experience in Kansas City that such warning has been most beneficial; the wider information gathered has enabled the Committee to advise individual banks as to facts, of which they were previously unaware, with the result of producing sounder conditions in the banks in question.

This is an obvious function of Examiner, but it is scarcely less his duty to render every assistance in the many questions which have to be met by every honest and competent banker, and the object of this paper is to draw attention to certain features wherein it would seem his work may be made of service to associated banks. It should be added that the following remarks are primarily based upon conditions obtaining in the Central West, where it may be that the desire among bankers to build up large deposits is keener, and where the average capital of banks is smaller than in the greater banking centers.

Speaking generally, the work of Clearing House Examiner in Kansas City has been carried on upon similar lines to those indicated in other cities, but in addition to the usual functions of examination, attention is being devoted to the question of affording information for the credit records of each bank. Amongst the difficult problems facing a banker is that of commercial paper, whether negotiated through brokers or direct with the bank's own clients. Under our present banking system, it is not always possible for a large commercial institution to obtain from one bank the entire line it may require and the consequent uncertainty of the banker as to how deeply his client may be involved causes uneasiness. Were our system such as exists in certain European countries, where the borrower usually obtains his entire accommodation through one bank of large capital which accepts his bills, and thus makes these readily marketable (an ultimate market being found in a central bank for discount of paper bearing endorsements of two or more banks), circumstances would be different; but we have to deal with conditions, and not theories. A large commercial house may request lines from several banks, and may also have recourse to brokers. The banker has consequently to determine the line he will accord, and has frequently, under penalty of loss of valuable business, to grant demands against his better judgment, and at times, on no greater evidence of merit and with no further assurance as to client's total obligations than is afforded by the borrower's own statement. The custom of requiring that such statements be authenticated by certified public accountants is unfortunately not yet prevalent, and in the stress of competition a banker may hesitate to insist upon a requirement not insisted upon by all.

It would be idle to suppose that a Clearing House Examiner can afford any guarantee of the merit of paper offered, but it is reasonable to assume that his services can be made of great use. With the enormous volume of paper sold and widely disbursed through brokers, no knowledge or records, however complete, compiled from the local banks, can give full detail of a large borrower's obligations, but many indications can be observed by a Clearing House Examiner from facts to which an individual banker has not access. It would seem an important part of the duties of a Clearing House Examiner to keep careful note, by card-index system and by other means, of all matters bearing upon the credit and the operations of all large borrowers. The local knowledge acquired by

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Examiner is bound to be large, and he should be quick to note extension of lines of credit, all requests for increased lines that may be made by any borrower, and how such requests are met by the bankers. The information thus acquired through all sources should become at once available for any bank a member of the Association, subject only to such reserve of details as may be enjoined, by the necessity on the part of Examiner, of regarding the matters of each individual bank as confidential. While it is true that nothing can be definitely learned as to total obligations of any concern, except by full examination of the concern's own books, indications of great value can, from time to time, be obtained, and from the nature of his functions a Clearing House Examiner is in position to afford information of service to the individual banker.

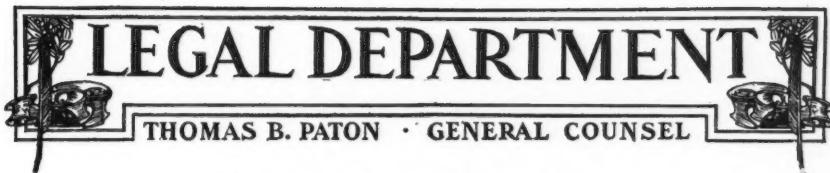
There is another feature in Western banking which calls for the greatest care. With the development of the West, there has arisen an enormous number of small country banks, many with very small capital, and with even that not fully paid by actual stockholders. The bankers in the reserve centers have accordingly to meet many demands from country banks, and in some cases the merits of such demands are small, a fact which can frequently be established through instrumentality of Clearing House Examiner. Owing to the continued prosperity in country districts throughout the Southwest, many of the small country banks can offer tempting balances to banks in reserve cities, and there is danger that in return therefor, undue demands on the part of the country banker may be granted. It frequently happens that the reserve city banker, in consideration of receiving a valuable account, is practically forced to carry a portion of the stock of the country bank, and in cases where the country bank has several correspondents, it may be that practically the entire capital of the bank is supplied by bankers in reserve centers. This fact can frequently be investigated through Clearing House Examiner, and much valuable information can also be obtained as to the extent of rediscounts on the part of country banks.

Further, if (as is the case in Kansas City) a plan of Country Clearing House system is adopted, whereby country collections are effected, in the main, through one channel, a much closer estimate can be made of the total accommodations granted to country banks. The competition for country bank business has been keen, and it is possible that bankers have not, in every case, paused to figure the rate of interest they are actually paying for deposits, after giving effect to the actual interest paid, the items taken at par from country banks, the interest allowed from date of receipt of letters though many days may elapse before collection is made, and many other points. By combining all information gathered between the Clearing House Examiner's office and the office of Country Clearing House, a much closer idea can be obtained of the value and of the cost and risks of country bank business, and the resulting benefits to individual bankers may prove considerable, as it may become possible to control the actions of members in country transactions.

It will be understood from the above that in Kansas City records are being accumulated for future reference, and that all information of value is at once available for any member of the Clearing House, subject only to such restrictions as may be imposed through the confidential nature of each individual bank's business. Time does not permit of entering into the various phases under which these questions and similar questions are met, but it is hoped the information and records of the office may ultimately prove of great value.

Reference should also be made to the question of system employed by each bank. It would seem desirable that examiners should be duly qualified accountants, or at least be fully equipped as to all matters of accounting system and methods of internal check in the workings of a bank. Mr. Talbert, in his article, has very clearly pointed out that the work of an examiner does not include an audit of the books, and this is eminently true. At the same time he may be, and should be, able to draw attention of the management of the bank to any points wherein the accounting system of the bank may be improved, and probability from loss, through dishonesty, diminished. In some respects, more may be accomplished by institution of proper system than by the most careful periodic audits, and the work of a Clearing House Examiner should include the best of his efforts towards assisting each bank in its internal methods.

Speaking broadly, the duties of a Clearing House Examiner are practically unlimited. He must be prepared to give every assistance: (1) to the individual banks in their own internal system and in their credit department; (2) to the Clearing House at large, in case of any improper methods on the part of any member; (3) to the banks as a whole against the extension of unwarranted credit to the public; (4) to the public as a whole, not only by assisting in establishing sound methods, but also by assisting in rendering difficult the financing of illegitimate schemes, thereby increasing the facility of financing legitimate enterprises.



The Negotiable Instruments Law

We are constantly receiving requests from members asking information as to the States in which the Negotiable Instruments Law has been enacted. We therefore publish below a full list of the thirty-eight States and jurisdictions in which the law has been enacted, including New Hampshire and Oklahoma, which passed the law this year. The year of enactment is also shown:

1897	New York.	New Jersey.
	Connecticut.	Iowa.
	Colorado.	Idaho.
	Florida.	Montana.
1898	Massachusetts.	Kentucky.
	Maryland.	Louisiana.
	Virginia.	Kansas.
	Rhode Island.	Wyoming.
1899	Tennessee.	Missouri.
	North Carolina.	Michigan.
	Wisconsin.	Nebraska.
	North Dakota.	New Mexico.
	Utah.	West Virginia.
	Oregon.	Illinois.
	Washington.	Nevada.
	District of Columbia.	Hawaii.
1901	Pennsylvania.	Alabama.
	Arizona.	New Hampshire.
1902	Ohio.	Oklahoma.

In New Hampshire the law does not take effect until January 1, 1910.

The Uniform Warehouse Receipts Act

The Uniform Warehouse Receipts Act has been passed this year in California, Pennsylvania, New Mexico and Nebraska. This makes fourteen States in all, down to the present time. Following is a complete list of the States which have enacted this law, with the year of enactment:

1907	Connecticut.	Ohio.
	Illinois.	Rhode Island.
	Iowa.	Virginia.
	Massachusetts.	1909 California.
	New Jersey.	Pennsylvania.
	New York.	New Mexico.
1908	Louisiana.	Nebraska.

Other Legislation Affecting Banks

Reference is made to the reports of the Standing Law Committee and of the General Counsel, made to the Executive Council at its recent meeting and published elsewhere in this number, for a more complete statement of the laws affecting the banking interests which have been passed by State legislatures the present year, and also to the report of the Committee on Bills of Lading concerning legislation on that subject.

The Association has been successful this year in having thirty-one enact-

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ments of its measures passed in different States, four relating to bills of lading and twenty-seven upon other subjects; this in addition to the enactment of the Negotiable Instruments Law in two and the Warehouse Receipts Act in four new States. All of these measures have been actively pushed. We were successful in securing the passage of the new law drafted by General Counsel to punish the making of false statements for credit in four of the States.

Bill of Lading Resolution

The attention of secretaries of State Bankers' Associations is invited to the resolution adopted by the Executive Council at its meeting just held, indorsing the action of many boards of trade and mercantile exchanges in refusing to pay drafts against bills of lading unless such bills are safeguarded by the official stamp of the issuing agent, in addition to the signature, have the written portion in ink or indelible pencil and state the quantity received for in writing as well as in numerals. The Executive Council recommend to all members of the Association that they only take for cash or collection bill of lading drafts where the attached bill conforms to such requirements, and have ordered that the resolution be brought to the attention of the secretaries of State Bankers' Associations through the pages of the JOURNAL with a request that similar resolutions be adopted at State Bankers' Conventions this year.

It is to be hoped that uniform action along these lines will be taken by the State associations. If the bankers and the merchants work hand in hand in demanding a more carefully executed document, and refuse to handle bills of lading not conforming to these requirements, such document will be forthcoming. In view of the enormous values advanced upon the security of bills of lading, the time has arrived for insistence upon an instrument filled out and executed with a degree of care commensurate with its value and importance.

OPINIONS

Summary of Questions Received and Opinions Rendered to Members of the Association

PROTEST OF STOPPED CHECK

Not necessary to hold drawer, but should be made to hold indorser.

FROM MARYLAND.—Is it necessary to protest a check on which payment has been stopped? There seems to be a difference of opinion here.

It is not necessary to protest a check or give notice of dishonor to the drawer where he has stopped payment; but if the check is indorsed, the countermand of payment by the drawer would not excuse presentment and notice to the indorser or protest in case the check comes under the definition of a foreign bill of exchange. Protest, of course, is permissible on domestic bills, but only required upon dishonor of foreign bills.

The following provisions of the Negotiable Instruments Law cover the question asked:

"Presentment for payment is not required in order to charge the drawer where he has no right to expect or require that the drawee or acceptor will pay the instrument" (Section 139, New York Act).

"Notice of dishonor is not required to be given to the drawer in either of the following cases * * * 5, where the drawer has countermanded payment" (Section 185, New York Act).

"Protest is dispensed with by any circumstances which would dispense with notice of dishonor" (Section 267, New York Act).

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STAMP "PRIOR INDORSEMENTS GUARANTEED"

Guarantees genuineness of prior indorsements and covers imperfections and irregularities therein.

FROM WEST VIRGINIA.—A few years ago it became a custom among the banks to embody in their collection stamp the phrase, "Prior Indorsements Guaranteed," which was then looked upon as a panacea for all defects in payee indorsements, but which soon came to be disregarded by nearly all city banks. Will you kindly explain whether or not this phrase, or one of similar meaning, will protect a drawee bank against imperfect or irregular payee indorsements? Also, would a special rubber-stamp indorsement of this nature, separate and apart from the collection-stamp indorsement, serve the above purpose?

I think the indorsement, either embodied in the collection stamp or a separate indorsement to that effect, would serve as a guaranty to the drawee bank that the indorsement of the payee was genuine and would cover imperfect or irregular payee indorsements. In a recent case before the Supreme Court of Massachusetts (*Jordan Marsh Co. vs. National Shawmut Bank*, 87 N. E. 740), the court holds it the duty of the drawee bank to its customer to see that the signature of the payee is genuine, but if "the bank on which a check is drawn chooses to pay on a guaranty of the indorsement of the payee's name by another responsible bank, this does not affect the duty of a paying bank to its depositor. It simply indicates a willingness of the bank to disregard and neglect the duty, upon the guaranty of a responsible party that the duty has already been perfectly performed for it by a preceding party from whom the check has been received." The checks involved in that case were stamped "indorsement guaranteed," and the language of the court indicates that this was a guaranty to the drawee that the payee's signature was genuine. The guaranty of genuineness would doubtless be construed to cover imperfections and irregularities in a payee's signature.

NOTE WITH IMPOSSIBLE DATE

Law adopts the nearest date in the same month.

FROM GEORGIA.—We received to-day through our collections a note with maturity and written as follows: "February 30th, after date I promise to pay _____," etc. Do you know of such a case where a note was made out as above where there was any contention as to its payment? Does the law give protection to the holder of the note where an error of this kind is made? In case this collection is made by the bank and it later develops that the party who pays discovers the error in making the note payable February 30th and contends that it was collected illegally, would the bank be liable to anyone for the amount?

As this is the first case of this kind I ever had, I am curious to know just what the result would be.

Where a note is dated or made payable on an impossible date, as in this case, February 30th, it is not illegal or void, but the law adopts the nearest date in the same month as the date intended. The rule is thus stated in Daniel on Negotiable Instruments, Section 625: "If dated on an impossible date, such as the 31st of September, the law adopts the nearest day by the doctrine of *cy pres* (as soon as may be); and the computation will be from the 30th of September."

In the present case the contract of the note and its force and effect are the same as if it read "February 28th, after date I promise to pay," etc. The law thus protects the holder of the note, and where collected by the bank the maker could not contend it was collected illegally and hold the collecting bank responsible.

PAYEE OF CHECK INDORSING BY MARK AND WITNESS

Character of obligation assumed by witness.

FROM TENNESSEE.—We would be pleased to have you give us your opinion concerning the care and diligence a bank should use when paying a check bearing foreign indorsements, where signature is made by mark and witnessed. Is it incumbent upon the bank under such circumstances to ascertain whether the witness to such mark is duly authorized, or does each witness stand in the equivalent position of the first indorser?

We understand that when such a check is presented directly over the counter, the bank should first know that the mark was made and witnessed in the proper manner, but where such checks come through other banks in other cities we are inclined to think the witness is in the same position of the first indorser.

Where the payee of a check indorses by mark and his signature is witnessed, I think the signature of the witness warrants the genuineness of the payee's signature and that

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the payee authorized and requested the witness to sign as such. The witness is not entirely "in the same position as first indorser," for if the payee's mark was genuine and the drawee refused to pay, a subsequent holder could not hold the witness but only the payee as indorser. If, however, the payee's mark was a forgery, the witness would be liable as warrantor of the genuineness of the payee's signature by mark the same as a subsequent indorser warrants the genuineness of a prior indorsement, and, I think, this warranty would run with the check to each successive holder.

There are but few authorities as to the precise obligation incurred by a witness of a signature by mark on a bill or note where the mark so witnessed is a forgery, but I think the view above expressed is correct.

In *Second National Bank vs. Curtis*, decided by the New York Court of Appeals in October, 1897, a person who witnessed a forged signature of an assignment of a certificate of stock was held liable to a bank which loaned money on the stock on the faith of the witness' signature which was known to it. In this case the witness did not know whether the signature witnessed was genuine or not and took another man's word for it. The court said:

"The only representation made by C was by means of his subscribing his name as a witness to the assignment of the stock. That act was a statement and representation by C in effect that the signature to the assignment was made by W in C's presence or was acknowledged by W in C's presence to be his, W's, signature and that C thereupon at W's request wrote his name as witness thereto. Such was clearly the meaning of the act in law and as generally understood in the business community. It does not seem to us that it could be fairly said that this act implied merely that C believed, or was of the opinion, that the signature of W was his genuine handwriting."

This case indicates that a man who signs as witness to another man's signature represents or warrants its genuineness to those who rely on faith of the witnessed signature being genuine, and whether the witnessed signature is written or by mark is immaterial.

In another case (*Mendenhall vs. Stewart*, Appellate Court of Indiana, October, 1897), a person who witnessed a signature to a letter of credit upon which goods were obtained, the signature being a forgery and the witness not knowing whether it was genuine or not, was held liable to the seller of the goods, although the "only representation was by means of the act of subscribing his name as a witness to the signature."

In *Clark vs. Saugerties Sav. Bank*, 62 Hun, 346, a savings bank drew its check on a national bank in favor of one Ellen Clark, a depositor, in payment of her deposit and delivered the check to her husband. The husband claimed he was authorized by his wife to indorse and collect the check. He could not write. The following indorsement was thereupon made: "Ellen Clark as authorized by William Clark. X his mark. Witness Frank Russell." The husband had no authority to indorse for his wife. Concerning the obligation of the witness the court said: "Russell was simply a witness to the fact of indorsement by the husband, not to any authority possessed by him."

These cases would seem to establish that one who witnesses a signature or indorsement, whether the signature is written or by mark, warrants the genuineness of such signature and that the witness has been requested to act as such; although, as shown by the last-cited case, where the payee of a check does not indorse in person, but the indorsement is made by another claiming to be authorized, the obligation of the witness does not go to the extent of warranting that the indorser had authority from the payee to act in his behalf.

I think, therefore, that where a check is presented for payment which has come through other banks and the indorsement of the payee is by mark and witnessed, that the witness' signature can be looked upon as a warranty of the genuineness of the payee's indorsement the same as a subsequent indorser warrants the genuineness of the signature of a prior indorser.



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STATE BANKERS' ASSOCIATIONS, 1908-9

ORGANIZATION OF SECRETARIES OF STATE BANKERS' ASSOCIATIONS
Organized November 13, 1902

OFFICERS

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L. P. HILLYER, Macon, Ga., *First Vice-President.*

L. O. BROUSSARD, Abbeville, La., *Second Vice-Pres.*
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J. W. HOOPES, Austin, Tex.

CONVENTIONS TO BE HELD IN 1909

May	5-6.	Missouri.....	St. Joseph.
"	10-12.	Texas	Houston.
"	11-12.	Alabama (Changed from 14-15).....	Mobile.
"	11-12.	Mississippi.....	Columbus.
"	13-14.	Arkansas.....	Little Rock.
"	13-14.	Louisiana.....	New Orleans.
"	13-14.	Alabama, Texas, Mississippi.....	Visitors with Louisiana..... at New Orleans.
"	18.	Oklahoma State Bankers' Section.....	Enid.
"	18-20.	Oklahoma.....	Enid.
"	20-22.	Virginia..... (Chamberlain Hotel)	Old Point Comfort.
"	25-26.	Tennessee.....	Chattanooga.
"	25-27.	North Carolina.....	Charlotte.
"	26-27.	Kansas.....	Wichita.
"	27-28.	Georgia..... (Hotel Tybee).....	Tybee Island.
"	27-29.	California.....	Del Monte, Monterey.
June	10-11.	Iowa.....	Waterloo.
"	14-15.	Minnesota.....	Lake Minnetonka.
"	15-16.	Massachusetts.....	Falmouth.
"	16-17.	West Virginia.....	Wheeling.
"	16-18.	South Carolina..... (South Shore Hotel).....	Wrightsville Beach, N. C.
"	21-22.	Colorado.....	Denver.
"	21-23.	American Institute of Banking.....	Seattle.
"	22-24.	Maryland..... (Blue Mountain House).....	Blue Mountain.
"	23-24.	South Dakota.....	Pierre.
"	24-26.	Pacific Northwest States (Oregon, Idaho, Washington).....	Seattle.
"	26-28.	Wisconsin..... On board the Goodrich steamer "Virginia" from Milwaukee to Mackinac Island and return.	Milwaukee.
July	8-9.	North Dakota.....	Minot.
"	15-16.	New York..... (Fort William Henry Hotel).....	Lake George.
Aug.	4-5.	Montana.....	Missoula.
Sept.	7-8.	Pennsylvania.....	Bedford Springs.
Week of Sept. 13.		American Bankers' Association.....	Chicago.

ALABAMA—ORGANIZED 1892.

President—W. P. G. HARDING, Vice-President Birmingham Clearing House, Birmingham.
Vice-President—H. L. McELDERRY, President Talladega National Bank, Talladega.
Secretary-Treasurer—MCLANE TILTON, JR., Cashier Bank of St. Clair County, Pell City.

PEEL, Bentonville; C. B. FOSTER, Hope; A. L. SMITH, Clarendon; D. B. RENFRO, JR., Corning.

Secretary—C. T. WALKER, Cashier Little Rock Trust Company, Little Rock.

Treasurer—C. M. BLOCKER, Treasurer State Savings and Trust Co., Texarkana.

CALIFORNIA—ORGANIZED 1891.

President—Jos. D. RADFORD, Vice-President German-American Savings Bank, Los Angeles.

Vice-President—H. S. FLETCHER, President Bank of Watsonville.

Treasurer—JAMES J. FAGAN, Vice-President Crocker National Bank, San Francisco.

Secretary—R. M. WELCH, Assistant Cashier San Francisco Savings Union, San Francisco.

Assistant Secretary—F. H. COLBURN, 502 California Street, San Francisco.

CANADIAN—ORGANIZED 1893.

President—E. S. CLOUSTON, General Manager Bank of Montreal.

Secretary and Treasurer—J. T. P. KNIGHT, Montreal, Que.

ARKANSAS—ORGANIZED 1891.

President—SAM W. REYBURN, President Union Trust Company, Little Rock.
Vice-Presidents—G. QUARLES, Helena; M. C. HUDSON, Pine Bluff; F. N. HANCOCK, Mena; D. W.

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COLORADO—ORGANIZED 1902.

President—GORDON JONES, Vice-President The United States National Bank, Denver.
Vice-President—ALBERT A. REED, President The Mercantile Bank and Trust Company, Boulder.
Secretary and Treasurer—GUY L. V. EMERSON, Cashier Silverton National Bank, Silverton.

CONNECTICUT—ORGANIZED 1899.

President—B. G. BRYAN, Secretary Colonial Trust Company, Waterbury.
Vice-President—C. C. BARLOW, Cashier Yale National Bank, New Haven.
Secretary—C. E. HOYT, Secretary and Treasurer South Norwalk Trust Company, South Norwalk.
Treasurer—C. LESLIE HOPKINS, Cashier First National Bank, Norwalk.

DISTRICT OF COLUMBIA—ORGANIZED 1901.

President—E. J. STELLWAGEN, President Union Trust Co., Washington.
Vice-Presidents—E. S. PARKER, President National Metropolitan Bank, Washington; B. F. SAUL, President Home Savings Bank, Washington.
Secretary—WILLIAM A. MEARNS, of Lewis Johnson & Co., Washington.
Treasurer—GEORGE WALSON, Cashier National Metropolitan Bank, Washington.

FLORIDA—ORGANIZED 1889.

President—CARY A. HARDEE, President First National Bank, Live Oak.
Vice-Presidents—H. E. TAYLOR, Gainesville; F. F. BARDIN, Lake City; G. E. LEWIS, Tallahassee; R. R. TURNBULL, Monticello; C. J. CARLTON, Wauchula.
Secretary and Treasurer—GEORGE R. DEAUXURE, Cashier Barnett National Bank, Jacksonville.

GEORGIA—ORGANIZED 1892.

President—HORACE A. CRANE, Vice-President Citizens' and Southern Bank, Savannah.
Vice-Presidents—E. D. WALTER, Brunswick; J. P. HEARD, Sr., Vienna; A. O. BLALOCK, Fayetteville; J. P. MUNNERY, Albany; B. I. HUGHES, Rome.
Secretary—L. P. HILLIER, Vice-President American National Bank, Macon.
Treasurer—E. C. SMITH, Cashier Griffin Banking Company, Griffin.

IDAHO—ORGANIZED 1905.

President—F. W. KETTANBACH, President Idaho Trust Co., Lewiston.
Secretary—L. A. COATE, Vice-President Bank of Commerce, Boise.

ILLINOIS—ORGANIZED 1880.

President—JAMES MCKINNEY, Aledo Bank, Aledo.
Vice-President—OSCAR G. FOREMAN, Vice-President Foreman Bros. Banking Co., Chicago.
Secretary—R. L. RINAMAN, Rooms 1030-32, The Rookery, Chicago.
Treasurer—T. S. O. McDOWELL, President First National Bank, Fairbury.

INDIANA—ORGANIZED 1897.

President—J. R. VORIS, Cashier Citizens' National Bank, Bedford.
Vice-President—JAMES W. SALE, President Farmers' and Traders' Bank, Markle.
Secretary—ANDREW SMITH, Vice-President Capital National Bank, Indianapolis.
Treasurer—W. S. HUDDLESTON, President First National Bank, Winamac.

IOWA—ORGANIZED 1887.

President—J. T. BROOKS, President First National Bank of Hedrick.
Vice-President—J. H. INGWERSSEN, President People's Trust and Savings Bank, Clinton.
Treasurer—D. L. HEINSHEIMER, President Mills County National Bank, Glenwood.
Secretary—J. M. DINWIDDIE, Cashier Cedar Rapids Savings Bank, Cedar Rapids.

KANSAS—ORGANIZED 1887.

President—W. M. PECK, Cashier Cloud County Bank, Concordia.
Vice-President—P. W. GOEBEL, President Commercial National Bank, Kansas City

Secretary—W. W. BOWMAN, Director Prudential Trust Company, Topeka.
Treasurer—E. R. MOSES, President Citizens' National Bank, Great Bend.

KENTUCKY—ORGANIZED 1891.

President—J. R. DOWNING, Cashier Georgetown National Bank, Georgetown.
Secretary—ISHAM BRIDGES, Manager Louisville Clearing House, Louisville.
Treasurer—HENRY D. ORMSBY, Cashier National Bank of Kentucky, Louisville.

LOUISIANA—ORGANIZED 1900.

President—PETER YOUREE, President Commercial National Bank, Shreveport.
Vice-President—R. N. SIMS, Vice-President People's Bank, Donaldsonville.
Secretary—L. O. BROUSSARD, President Bank of Abbeville, Abbeville.
Treasurer—L. M. POOL, Assistant Cashier Hibernia Bank and Trust Co., New Orleans.

MAINE—ORGANIZED 1900.

President—FREDERICK D. HILL, Cashier Bath National Bank, Bath.
Vice-President—CHARLES A. MOODY, President First National Bank, Biddeford.
Secretary—HASCALL S. HALL, Cashier Ticonic National Bank, Waterville.
Treasurer—GEORGE A. SAFFORD, Cashier Northern National Bank, Hallowell.

MARYLAND—ORGANIZED 1896.

President—WILLIAM B. COPPER, Cashier, Second National Bank, Chestertown.
Secretary—CHARLES HANN, Asst. Cashier National Mechanics' Bank, Baltimore.
Treasurer—WM. MARRIOTT, Cashier Western National Bank, Baltimore.

MASSACHUSETTS—ORGANIZED 1905.

President—FREDERIC W. RUGG, President National Rockland Bank, Roxbury.
Vice-President—JAMES A. PARKER, Vice-President Old Colony Trust Co., Boston.
Secretary—GEORGE W. HYDE, Assistant Cashier First National Bank, Boston.
Treasurer—EDWARD H. LOWELL, Treasurer Chelsea Trust Co., Chelsea.

MICHIGAN—ORGANIZED 1887.

President—LEON CHICHESTER, President First State Bank, Petoskey.
Vice-Presidents—H. G. BARNUM, President First National Exchange Bank, Port Huron; EMORY W. CLARK, Vice-President The First National Bank, Detroit.
Secretary and Attorney—HAL H. SMITH, 1123 Ford Building, Detroit.
Treasurer—FRED. S. CASE, Vice-President Marquette County Savings Bank, Marquette.

MINNESOTA—ORGANIZED 1887.

President—JOSEPH CHAPMAN, Jr., Vice-President Northwestern National Bank, Minneapolis.
Vice-President—W. I. PRINCE, Cashier City National Bank, Duluth.
Treasurer—L. WHITMORE, Cashier First National Bank, Wabasha.
Secretary—CHARLES R. FROST, 209 Metropolitan Life Building, Minneapolis.

MISSISSIPPI—ORGANIZED 1889.

President—OSCAR NEWTON, Jr., Cashier Brookhaven Bank & Trust Company, Brookhaven.
Vice-President—W. M. ANDERSON, President Merchants' Bank and Trust Company, Jackson.
Secretary and Treasurer—B. W. GRIFFITH, President First National Bank, Vicksburg.

MISSOURI—ORGANIZED 1891.

President—J. R. DOMINICK, President Traders' Bank, Kansas City.
Vice-President—J. P. HINTON, Cashier Hannibal National Bank, Hannibal.
Secretary—W. F. KEYSER, Sedalia.
Treasurer—A. O. WILSON, Vice-President State National Bank, St. Louis.

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President—W. W. McCACKIN, President Ravalli County Bank, Hamilton.
Vice-President—JOHN E. EDWARDS, President Bank of Commerce, Forsyth.
Secretary-Treasurer—FRANK BOGART, Cashier Union Bank and Trust Company, Helena.

NEBRASKA—ORGANIZED 1890.

President—C. E. BURNHAM, President Norfolk National Bank, Norfolk.
Secretary—WILLIAM B. HUGHES, Manager Omaha Clearing House, Omaha.
Treasurer—F. T. HAMILTON, Vice-President Merchants' National Bank, Omaha.

NEVADA—ORGANIZED 1908.

President—F. M. LEE, Cashier Nixon National Bank, Reno.
Vice-President—JOHN HENDERSON, President Henderson Banking Co., Elko.
Secretary—GEORGE H. TAYLOR, Asst. Cashier Washoe County Bank, Reno.
Treasurer—FRED GROB, Cashier Farmers' & Merchants' National Bank, Reno.

NEW JERSEY—ORGANIZED 1903.

President—EDWARD L. HOWE, Vice-President Princeton Bank, Princeton.
Vice-President—ADRIAN LYON, President Perth Amboy Savings Institution, Perth Amboy.
Secretary—WM. J. FIELD, Secretary and Treasurer Commercial Trust Company, Jersey City.
Treasurer—ALEX. C. WOOD, President Camden Safe Deposit and Trust Co., Camden.

NEW MEXICO—ORGANIZED 1905.

President—R. J. PALEN, President First National Bank Santa Fe.
Vice-President—E. A. CAHOON, Cashier First National Bank, Roswell.
Secretary—HALLETT RAYMONDS, Asst. Cashier First National Bank, Las Vegas.
Treasurer—J. B. HERNDON, Cashier State National Bank, Albuquerque.

NEW YORK—ORGANIZED 1894.

President—E. S. TEFFT, Cashier, First National Bank, Syracuse.
Vice-President—F. E. LYFORD, President First National Bank, Waverly.
Treasurer—DELMAR RUNKLE, Cashier People's National Bank, Hoosick Falls.
Secretary—E. O. ELDREDGE, Astor Trust Company, New York.
Assistant Secretary—WILLIAM J. HENRY, 92 West Broadway, New York City.

NORTH CAROLINA—ORGANIZED 1897.

President—H. W. JACKSON, Cashier Commercial National Bank, Raleigh.
Vice-Presidents—JOHN O. ELLINGTON, Vice-President Fourth National Bank, Fayetteville; W. C. WILKINSON, Cashier Merchants' and Farmers' National Bank, Charlotte; J. C. BRASWELL, President Planters' Bank, Rocky Mount.
Secretary and Treasurer—WILLIAM A. HUNT, Cashier Citizens' Bank Henderson.

NORTH DAKOTA—ORGANIZED 1903.

President—C. J. LORD, President First National Bank, Cando.
Vice-President—R. C. KITTEL, President First National Bank, Casselton.
Secretary—W. C. MACPADDEN, Cashier Commercial Bank, Fargo.
Treasurer—J. N. KUHL, Cashier First National Bank, Towner.

OHIO—ORGANIZED 1891.

President—A. E. RICE, President Croghan Bank and Savings Company, Fremont.
Vice-President—W. F. HOFFMAN, President Commercial National Bank, Columbus.
Secretary—S. B. RANKIN, President Bank of South Charleston, South Charleston. Office, 809 Wyandotte Building, Columbus.
Treasurer—W. J. WINTERS, Assistant Cashier Commercial National Bank, Coshocton.

Assistant Secretary—S. C. ARBUCKLE, 905-906 New First National Bank Building, Columbus.

OKLAHOMA—ORGANIZED 1897.

President—A. D. KENNEDY, Cashier Bank of Commerce, Okmulgee.
First Vice-President—L. A. WILSON, President First National Bank, El Reno.
Second Vice-President—H. M. SPALDING, President People's Bank, North Enid.
Treasurer—W. S. PATTEN, President First National Bank, Edmond.
Secretary—CHAS. L. ENGLE, Cashier Citizens' National Bank, El Reno.

OREGON—ORGANIZED 1905.

President—MONTIE B. GWYNN, President The American National Bank of Pendleton, Pendleton.
Vice-President—R. W. SCHMEER, Cashier United States National Bank, Portland.
Treasurer—W. S. CROWELL, President First National Bank, Medford.
Secretary—J. L. HARTMAN, Hartman & Thompson, Bankers, Portland.

PENNSYLVANIA—ORGANIZED 1894.

President—ELI S. REINHOLD, Director Union National Bank, Mahanoy City.
Vice-President—R. E. JAMES, President Easton Trust Co., Easton.
Secretary—D. S. KLOSS, Cashier First National Bank, Tyrone.
Treasurer—ROBERT J. STONEY, JR., Banker, Pittsburgh.

SOUTH CAROLINA—ORGANIZED 1901.

President—T. B. STACKHOUSE, Vice-President National Loan and Exchange Bank, Columbia.
Vice-President—D. D. MCCOLL, President Bank of Marlboro, Bennettsville.
Secretary and Treasurer—GILES L. WILSON, State Bank Examiner, Spartanburg.
Attorney—A. M. LEE, Charleston.

SOUTH DAKOTA—ORGANIZED 1886.

President—J. R. HUGHES, President Potter County Bank, Gettysburg.
Vice-President—J. F. STEBBINS, of the Bank of Spearfish, Spearfish.
Secretary—J. E. PLATT, Cashier Security Bank, Clark.
Treasurer—W. H. PRATT, JR., Cashier Brule National Bank, Chamberlain.

TENNESSEE—ORGANIZED 1890.

President—I. B. TIGRETT, Cashier Union Bank and Trust Company, Jackson.
Vice-Presidents—JOHN H. WATKINS, Memphis; S. T. JONES, Sweetwater; W. G. DILLON, Tracy City.
Treasurer—STERLING FORT, First National Bank, Clarksville.
Secretary—JOHN J. HEFLIN, Nashville.
General Counsel—W. D. WITHERSPOON, Nashville.

TEXAS—ORGANIZED 1885.

President—T. C. YANTIS, President Brownwood National Bank, Brownwood.
Vice-Presidents—H. O. BOATWRIGHT, Bryan; J. HIRSCH, Corpus Christi; G. M. BOOTH, Taylor; J. W. BUTLER, Clifton; W. F. SKILLMAN, Sulphur Springs; L. L. SHIELD, Santa Anna; W. H. FUQUA, Amarillo.
Secretary—J. W. HOOPES, Vice-President Austin National Bank, Austin.
Treasurer—T. W. SLACK, Cashier First National Bank, Fort Worth.
Assistant Secretary—D. C. DUNN, Cashier Union Bank and Trust Co., Houston.
Attorney—S. W. FISCHER, Austin.

VERMONT—ORGANIZED 1909.

President—H. L. WARD, Vice-President Burlington Trust Company, Burlington.
Vice-President—C. F. CHAPMAN, Treasurer Ottawa-Quebec Savings Bank, Woodstock.
Secretary—H. T. RUTTER, Cashier Howard National Bank, Burlington.
Treasurer—D. L. WELLS, Cashier First National Bank, Orwell.

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

VIRGINIA—ORGANIZED 1803.

President—JOSEPH STEBBINS, President Bank of South Boston, South Boston.
Vice-Presidents—JOHN M. MILLER, JR., Richmond; H. A. WALKER, Staunton; JOHN W. WOODS, Roanoke; P. M. POLLARD, Petersburg; W. H. JONES, JR., Suffolk; W. B. VEST, Newport News; J. M. HURT, Blackstone; R. F. BOPES, Lynchburg; H. E. JONES, Bristol.
Secretary—N. P. GATLING, Lynchburg.
Treasurer—H. A. WILLIAMS, Assistant Cashier Bank of Richmond, Richmond.
Attorney—GEORGE BRYAN, Richmond.

WASHINGTON—ORGANIZED 1899.

President—W. L. ADAMS, President First National Bank, Hoquiam.
Vice-President—A. F. ALBERTSON, Vice-President National Bank of Commerce, Tacoma.
Secretary—P. C. KAUFMAN, Second Vice-President Fidelity Trust Company, Tacoma.
Treasurer—J. K. McCORNICK, President Security State Bank, Palouse.

WEST VIRGINIA—ORGANIZED 1895.

President—WILLIAM B. IRVINE, Vice-President National Bank of West Virginia, Wheeling.

Vice-Presidents—H. B. MCKINLEY, Salem; W. W. WOOD, Keyser; L. M. TULLY, Mt. Hope; C. D. BUMGARNER, Parkersburg; C. M. GOHEN, Huntington.
Secretary and Treasurer—Jos. S. HILL, Cashier National City Bank, Charleston.

WISCONSIN—ORGANIZED 1892.

President—E. C. ZIMMERMAN, Cashier Marathon County Bank, Wausau.
Vice-President—J. H. PUELICHER, Cashier Marshall & Ilsley Bank, Milwaukee.
Secretary—M. A. GRAETTINGER, Cashier Merchants' and Manufacturers' Bank, Milwaukee.
Treasurer—EARL PEASE, Cashier First National Bank, Grand Rapids.

WYOMING—ORGANIZED 1908.

President—A. H. MARBLE, Vice-President Stockgrowers' National Bank, Cheyenne.
Vice-President—BENJ. F. PERKINS, President State Loan & Trust Co., Sheridan.
Treasurer—J. DE FOREST RICHARDS, Buffalo.
Secretary—HOWARD VAN DEUSEN, Cashier Rock Springs National Bank, Rock Springs.



State Conventions in April

NEW JERSEY.

The sixth annual convention was held Friday and Saturday, April 23-24, at the Hotel Chelsea, Atlantic City. There was a large attendance of delegates and ladies. The reports of the various officers and committees of the work accomplished during the past year proved eminently satisfactory.

In addition to the usual committees for the ensuing year, two committees were appointed to investigate the rates of interest paid for deposits, also to suggest to members a schedule of fees on which to base charges for trust business and to suggest to members forms to be used in different kinds of trust business, such forms to contain the proper clauses safeguarding both the business of the client and the bank.

The addresses delivered at the convention were of an interesting character, embodying valuable data on live banking questions of the day, as follows: Address of welcome—Hon. Allen B. Endicott, President Union National Bank, Atlantic City; Response—Gen. William C. Heppenheimer, President of Association; "The Postal Savings Bank Situation," by Mr. Lucius Teter, Chairman Postal Savings Bank Committee, American Bankers' Association, President Chicago Savings Bank and Trust Company, Chicago, Ill.; "The Trust Features of Trust Company Business," by Col. Willard C. Fisk, Attorney-at-Law and Counsel of Association; "Association Work and National Bank Legislation," by Col. Fred. E. Farnsworth, Secretary American Bankers' Association; "Exchange of Credit Information Between Banks," by Hon. Charles A. Conant, of New York; "State Banking Department," by Hon. Vivian M. Lewis, Commissioner of Banking and Insurance of New Jersey.

The officers elected for the ensuing year will be found on page 411 of the JOURNAL.

The social features of the convention were very enjoyable, especially the banquet on Friday evening. Gen. William C. Heppenheimer, the retiring President of the Association, was Toastmaster, and addresses were made by Hon. E. H. Stokes, Ex-Governor of New Jersey; Hon. Job E. Hedges and Col. George B. M. Harvey, of New York, and others.

FLORIDA.

The Annual Convention of this State Association was held at Live Oak, Fla., April 23d and 24th.

The meeting was an interesting one and current matters affecting the banking interests were discussed, the State bankers passing a resolution in opposition to the guarantee of bank deposits by the State, such a bill having been introduced in the present legislature.

The Secretary's report showed a membership of 110 banks. The address of welcome was made by Col. Ira L. Carter, Acting Mayor of Live Oak, which was responded to by W. S. Murrow, of Jasper.

Papers were read on "Sea Island Cotton," by A. W. McLeran, of Wellborn, and "The Man Behind the Figures," by Walter Mucklow, of Jacksonville.

The officers elected for the ensuing year will be found on page 410 of the JOURNAL.

PROTECTIVE COMMITTEE MONTHLY REPORT

NEW YORK, May 1, 1909.

Statistics from September 1, 1908, to April 30, 1909, of the work of the Pinkertons for the Association:

RECORD OF CRIMINALS ARRESTED, CONVICTED, SENTENCED, AWAITING TRIAL, BANK BURGLARIES, ETC.

BURGLARS—SPECIAL: Cases not disposed of arrested prior to September 1st, 2; arrested since September 1st, 7; convicted and sentenced, 6; specific terms, 3; years, 27; released, 3; killed, 1; awaiting trial, 2.

BURGLARS—GENERAL: Cases not disposed of arrested prior to September 1st, 4; arrested since September 1st, 33; convicted and sentenced, 32; specific terms, 14; indeterminate terms, 2; years, 118; released, 8; awaiting trial, 13.

FORGERS—SPECIAL: Cases not disposed of arrested prior to September 1st, 10; arrested since September 1st, 25; convicted and sentenced, 38; specific terms, 16; indeterminate terms, 4; years, 45; released, 9; escaped, 2; awaiting trial, 10.

FORGERS—GENERAL: Cases not disposed of arrested prior to September 1st, 19; arrested since September 1st, 27; convicted and sentenced, 56; specific terms, 24; indeterminate terms, 4; years, 73-4; released, 9; escaped, 2; awaiting trial, 7.

HOLD-UPS—SPECIAL: Cases not disposed of arrested prior to September 1st, 4; arrested since September 1st, 3; convicted and sentenced, 8; specific terms, 3; indeterminate terms, 1; years, 17; awaiting trial, 3.

HOLD-UPS—GENERAL: Cases not disposed of arrested prior to September 1st, 5; convicted and sentenced, 4; indeterminate terms, 2; released, 2; awaiting trial, 1.

SNEAK THIEVES—GENERAL: Cases not disposed of arrested prior to September 1st, 2; convicted and sentenced, 4; specific terms, 2; years, 4-6.

ROBBERS—GENERAL: Arrested since September 1st, 1; awaiting trial, 1.

Total cases not disposed of arrested prior to September 1st.....	46
Arrested since September 1st.....	96
	<hr/>
Convicted and sentenced.....	74
Released, escaped and killed.....	31
	<hr/>
Awaiting trial.....	37

BURGLARS—SPECIAL INVESTIGATIONS.

For the attempted burglary of the Califon National Bank (M.), Califon, N. J., February 21, 1909.

April 2, 1909, at New York City, James Reade, alias "Waltham Jimmy," was released owing to insufficient evidence upon which to extradite him to New Jersey.

Awaiting Trial: J. Clement, Sparta, Wis.; J. Radley, Sparta, Wis.

BURGLARS—GENERAL INVESTIGATIONS.

For the burglary of the State Bank of Holcombe (N. M.), Holcombe, Wis., November 25, 1908; loss, \$310.

April 19, 1909, William Rogers, Thomas Burns and Michael Birmingham were sentenced to 10 years each in the Waupun, Wis., State Penitentiary.

Awaiting Trial: A. G. Beatty, Los Angeles, Cal.; J. Callahan, Milan, Kans.; J. Johnson, Covington, Ky.; H. Joyce, Hadar, Neb.; E. Madigan, Milan, Kans.; C. S. Martin, Los Angeles, Cal.; J. Martman, Hadar, Neb.; T. Morris, New Albany, Kans.; J. Nipper, Lafayette, Ind.; E. W. Sundin, Los Angeles, Cal.; C. Wilson, Olpe, Kans.; G. Wilson, New Albany, Kans.; G. Yohns, Los Angeles, Cal.

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

FORGERS—SPECIAL INVESTIGATIONS.

For defrauding the Bank of Heppner (M.), Heppner, Ore., out of \$800 March 19, 1909.

April 5, 1909, at Salem, Ore., James Davis was arrested and subsequently returned to Heppner, where he awaits trial.

For defrauding the Wells, Fargo, Nevada National Bank (M.), San Francisco, Cal., December 8, 1908, of \$200.

April 25, 1909, H. I. Bremner was sentenced to 1 year in San Quentin, Cal., Prison.

For defrauding the Carnegie National Bank (M.), Carnegie, Pa., November 26, 1908, of \$125.50 and the First National Bank, (M.), Bridgeville, Pa., December 3, 1908, of \$97.60.

April 5, 1909, at Alliance, Ohio, C. W. Kahle was convicted and sentenced to 3 years in the Ohio State Penitentiary for horse stealing.

Kahle was released on both of the forgery charges, but rearrested for the Alliance, Ohio, authorities and taken to that city for trial.

For defrauding the Provident Trust Co. (M.), Columbia City, Ind., of \$5,200 on September 3, 1908.

S. P. Thompson, arrested for the above forgery, has been adjudged insane and placed in the Longcliff, Ind., Insane Asylum.

For defrauding the North Side Bank (M.), Brooklyn, N. Y., during March, 1909, of \$170.

April 2, 1909, William J. Newman plead guilty and was sentenced to 3 months in the City Prison.

For defrauding the Metropolis Trust & Savings Bank (M.), San Francisco, Cal., of \$300 on November 30, 1908.

April 17, 1909, Warren Taylor was sentenced to 3 years in the San Quentin, Cal., Prison.

Awaiting Trial: E. Benton, Cincinnati, Ohio; W. H. Brown, Colorado Springs, Colo.; J. Davis, Heppner, Ore.; E. C. Douglass, Portland, Me.; W. R. Hughes, Whiting, Ind.; H. V. Noel, Los Angeles, Cal.; E. Perkins, Chicago, Ill.; A. M. Potter, Detroit, Mich.; A. F. Rickey, Seaton, Ill.; O. Wirsén, Chicago, Ill.

FORGERS—GENERAL INVESTIGATIONS.

For defrauding various merchants with checks drawn on member banks from June to November, 1908.

April 27, 1909, C. H. Sheftall plead guilty at Washington, D. C., to one of the above charges and was sentenced to 18 months in the United States Penitentiary at Moundsville, W. Va.

For defrauding the North West Savings Bank (M.), Chicago, Ill., September 24, 1908, of \$67.

April 15, 1909, at Chicago, Ill., Joseph Herman was sentenced to 1 year in the Chicago House of Correction and fined \$1,000.

Herman, being a professional swindler, arrangements will be made to have him prosecuted for defrauding the Bank of Commerce (M.), San Diego, Cal., and the First National Bank (M.), Ocean Park, Cal.

For defrauding the First National Bank (M.), Amarillo, Tex., during July, 1908, of \$450.

November 20, 1908, W. H. Fitzgerald was arrested at Salt Lake City, Utah, and was being returned to Amarillo, Tex., for trial, when he escaped from the Sheriff on a train near Pueblo, Colo., on November 22, 1908.

His photograph was published in Bulletin No. 41, described as being wanted at Amarillo, Tex., and on April 22, 1909, the authorities at Richmond, Va., advised us that Fitzgerald had been arrested by them on January 13, 1909, charged with passing worthless checks; that he had been sentenced to 75 days in prison and would be released on April 28, 1909. We immediately telegraphed the Sheriff of Potter County, Tex., who requested the Richmond authorities to hold Fitzgerald until papers arrived for him, which they agreed to do.

Awaiting Trial: C. E. Farris, St. Joseph, Mo.; W. H. Fitzgerald, Richmond, Va.; O. N. Frankfort, Ida Grove, Iowa; J. H. Larkin, Sioux Falls, S. D.; B. F. Mills, San Francisco, Cal.; N. D. Parker, Shelbyville, Ind.; D. Vogan, New York, N. Y.

HOLD-UP ROBBERS—SPECIAL INVESTIGATIONS.

For the hold-up robbery of the Ballard County Bank (M.), Bandana, Ky., April 24, 1908, of \$2,287.46.

April 25, 1909, John Bulger was convicted and sentenced to 2 years in the Eddyville, Ky., Prison.

His companions, S. Evitts, W. Husbands and E. Elmendorph await trial.

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Awaiting Trial: E. Elmendorph, Paducah, Ky.; S. Evitts, Paducah, Ky.; W. Husbands, Paducah, Ky.

HOLD-UP ROBBERS—GENERAL INVESTIGATIONS.

Awaiting Trial: M. Thornberry, Eufaula, Okla.

ROBBERS—SPECIAL INVESTIGATIONS.

Awaiting Trial: H. B. Elliott, Eufaula, Okla.

Burglaries on non-members.....	74	Loss.....	\$120,062.64
Burglaries on members.....	16	Loss.....	15,932.01
	58		\$104,130.63
Hold-up robberies on members	3		
Attempted hold-up robberies on non-members	2	Loss.....	\$15,537.15

Features in Protective Work

FORGERIES.

The National Bank of the Republic (M.), Chicago, Ill., during the month of November, 1908, paid out \$3,100.00 on forged checks, drawn on their bank, to which the name of William S. Spiegel, President of the firm of Spiegel, May, Stern & Co., had been forged. Investigations by the Pinkertons for the American Bankers' Association developed that Edward Perkins, a former employee of the aforesaid firm, was the forger. The Pinkertons located Perkins, and aided by officers from the Chicago Police Department, arrested him on December 14, 1908.

On December 16th Perkins was indicted by the grand jury, and on failure to secure bail to the amount of \$10,000.00, was sent to jail.

Recently Perkins succeeded in having his bond reduced to \$7,000.00, which he furnished, and was released pending the calling of his case in the near future.

The Monroe National Bank (M.), Chicago, Ill., during the early part of December, 1908, paid out \$128.00 on a forged check drawn on their bank, to which the name of E. R. Wolverton of T. P. Kelly & Co., Chicago, had been forged.

Investigations by the Pinkertons for the American Bankers' Association developed that Oscar Wirsén, a former employee of the T. P. Kelly Co., was the forger. They located Wirsén, and assisted by officers from the Chicago Police Department, arrested him on December 21st.

On January 12, 1909, Wirsén was indicted by the grand jury. His bond was placed at \$1,000.00, and which he has since furnished. His case will be called in the Criminal Court in the near future.

Wirsén, although 19 years old, has a criminal record, he having held up and robbed a bookkeeper and cashier in a manufacturing plant in Chicago some time ago, and stole the pay-roll amounting to \$800.00, for which crime he served a short term in the workhouse.

On December 3, 1908, W. R. Hughes, employed as foreman by the Cain Construction Co., Whiting, Ind., succeeded in getting the First National Bank of Whiting to cash a forged check for \$182.60.

The Pinkertons, for the American Bankers' Association, traced Hughes and located him at Chewalah, Wash., where he was arrested on December 17th by them, aided by the Sheriff of Coleville, Wash. He was extradited to Indiana. Hughes has since been released on bond, and his case will be called during the spring term of court.

IOWA.

APRIL 14, 1909.

The Thor Savings Bank (M.), Thor, Iowa, was unsuccessfully attacked by burglars who attempted to gain entrance to the vault by digging through one of the walls from the outside of the building. For some reason they evidently became frightened away before they had succeeded in gaining an entrance.

Investigation by the Pinkertons developed no evidence to determine the identity of the burglars in this case; however, this matter is being watched, and subsequent developments may determine who the burglars are, when, if sufficient evidence can be secured and they can be apprehended, the necessary action will be taken.

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STOLEN DRAFTS

Drafts of the Mechanics-American National Bank, of St. Louis, Mo., on the National Park Bank, of New York City, N. Y., numbered 81200 to 81299, were recently stolen from the vault of the St. Louis bank by a former employee, who is forging the signature of C. L. Allen, the Assistant Cashier, to them.

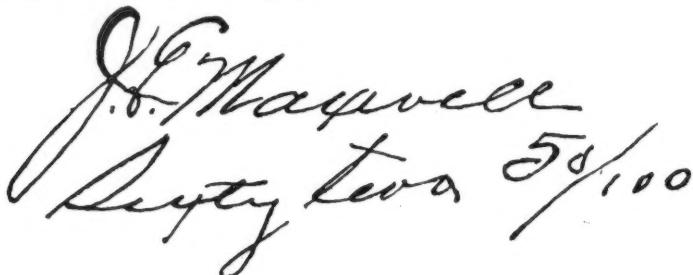
Correspondents of the bank at Pittsburgh, Pa., and Louisville, Ky., received letters of advice, purporting to be signed C. L. Allen, the Assistant Cashier, advising that drafts would be presented by E. E. Cole and A. H. Wells, whose signatures were enclosed, for identification, and requesting that they be honored. All were forged by employee, who stole the drafts and is uttering them.

Description of party using the names of E. E. Cole and A. H. Wells:

Age, 30 years; weight, 140 lbs.; height, 5 ft. 6 in.; color of hair, light brown; beard, smooth face; eyes, gray and bulging; occupation, stenographer; usually dresses in dark clothes; very neat.

REMARKS: Upper front teeth very prominent; occasionally has peculiar twitching of face when talking or excited.

Following is specimen of handwriting:



A handwritten signature in cursive script. The name "J. S. Maxwell" is written in a larger, more formal style above the amount. Below the name, the amount "Fifty two 50/00" is written in a smaller, more fluid script. The signature is written on a plain white background.

Should you receive one of the stolen drafts from a person unknown to you, arrest presenter and deliver to the nearest police officer, quickly notifying Pinkerton's National Detective Agency at the nearest of their listed offices by telephone or telegraph, and they will send a representative to assist in the holding and prosecuting.

BURGLARIES

Referring to the burglary of the State Bank of Ladysmith (M.), Ladysmith, Wis., September 29, 1908, subsequent investigation has proven that the burglars, James Clark, James Radley and James Clement were concerned in the above burglary, as well as the burglary of the George Warren Co. Bank (M.), Warren, Wis., on October 3, 1908 (see April JOURNAL, page 375). The Maryland Casualty Company joined the National Surety Co. in co-operating with the American Bankers' Association in this case.

Referring to the burglary of the State Bank of Holcombe (N. M.), Holcombe, Wis., November 25, 1908, for which the Pinkertons, for the National Surety Co., caused the arrest of W. E. Howard, Mike Birmingham and Thomas Burns, all three men were, on April 17, 1909, convicted for the above burglary, and on April 19 sentenced to 10 years each in the Waupun, Wis., State Prison (see April JOURNAL, page 375).

Quarterly Bulletins Issued by Pinkertons by Order of the Standing Protective Committee

The attention of our members is particularly called to the importance of carefully preserving these Bulletins, for they can never tell when they may prove of great service and prevent the possibility of swindles being perpetrated upon them.

It has come to our attention from time to time that in some cases members do not use the proper care in this direction, and had they perused these Bulletins they would not have been swindled, and the arrest of dangerous swindlers would have been brought about.

The Bulletins are very important, and should be read by bank officers and tellers and carefully preserved.

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PROTECTIVE WORK OF STATE BANKERS' ASSOCIATIONS

WASHINGTON BANKERS' ASSOCIATION,

OFFICE OF THE SECRETARY.

TACOMA, WASH., March 30, 1909.

WARNING.

STOLEN.—War Commissary Checks Nos. 53621 to 53700, both inclusive, on Assistant Treasurer of the United States at Chicago, were stolen at Fort Snelling and some have been fraudulently issued at Denver and Salt Lake City. The checks bear the signature of Chas. A. Stoffen, Captain Commissary, U. S. A., and are marked Com. of Rations Sub. of the Army, 1909. Description of man who negotiated the checks is: Height, 5 ft. 9 in.; weight, 160 lbs.; hair, dark-brown; eyes, blue; complexion, dark. Should any of said checks be presented, wire Gen. Frederick D. Grant, Commanding Department of the Lakes, Chicago, Ill.

WARNING FROM IDAHO.

WANTED FOR FORGERY.—Willis T. Moon is about 5 ft. 10 in. tall, light complexion, blue eyes, clean shaven, weighs about 140 lbs., is 27 or 28 years old. Has been near Woodland, Idaho. Is thought to have gone South. Is sickly—has stomach trouble. Is expert at imitating handwriting. Among other paper money has new \$100.00 bill issued by Lewiston National Bank, which he will probably try to change at some bank. Draws checks on State Bank of Kamiah signed by Q. V. Moon and payable to W. T. Moon.

If located, wire State Bank of Kamiah, Kamiah, Idaho.

SPECIAL CAUTION.

Word has just been received that a forger has been operating on Puget Sound with checks on Bankers' Safety Paper, bearing Irwin Hodgson imprint job number 93607. Printed signature Washington Liquor Company, by H. A. Holland, Cashier. **WATCH FOR THEM.**

TEXAS BANKERS' ASSOCIATION,

OFFICE OF THE SECRETARY.

AUSTIN, TEX., April 1, 1909.

WARNING NOTICE.

Tom C. Penny, age 28 or 30, about 6 ft. high, blue eyes, brown hair, slender build, smooth shaven, usually wears black suit, standing collar, tan shoes, derby hat; occupation, land agent, forges and passes drafts drawn on Amarillo National Bank, signed by Rock Island Investment Co., per T. C. Penny, Manager.

J. E. Maxwell, mentioned in recent bulletin passing R. R. pay checks, has appeared again in the same rôle, having secured employment with the I. & G. N. R. R., and raised a check he received for wages. He has also been reported as operating under the aliases of D. M. Atwell, D. M. Apple, E. Bradley, J. Foster, J. E. King, etc., and passing under these aliases, has raised express money orders.

A. F. Wallace, supposed to be J. H. Henderson mentioned in warning notice dated March 22d, passed forged draft supposed to be drawn by the Crowder State Bank of Crowder, Okla., and drawn on the Third National Bank of St. Louis, Mo., which has been pronounced a forgery. He is about 38 or 40 years old, 5 ft. 5 in. high, weighs about 140 lbs., complexion florid, dark chestnut hair, stubby moustache, medium build, neat dresser, wears opal set ring on third finger left hand and "phoney" diamond stud. Represents himself to be agent for the Clay-Robinson Live Stock Co. of Kansas City. Has a large gold upper front tooth. This is not very noticeable, however.

Slayden-Kirksey Woolen Mills, Waco, have lost the following-described drafts dated March 15, 1909, and drawn by them on the Bank of America, New York City: No. 5156 in favor of Moss Bros. & Elrich, \$195.61; No. 5157 in favor of Berlin Anline Works, \$41.58; No. 5158 in favor of Ezra Lund for \$669.54; No. 5159 in favor of H. Lokner Mfg. Co. for \$13.60. It is thought these checks were stolen from their office by a professional check-raiser. Our members are warned to be on the lookout for any of these.

H. B. Donnis, mentioned in recent warning notice, is under arrest.

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WISCONSIN BANKERS' ASSOCIATION,

OFFICE OF THE SECRETARY.

MILWAUKEE, WIS., April 12, 1909.

LOOKOUT NOTICE.

We are in receipt of advice from La Crosse that a party representing himself to be C. M. Barrett, recently cashed a draft drawn on Barrett & Zimmermann, South Saint Paul, which proved to be a forgery. He is described as follows: Age, 30 years, weight, about 150 lbs.; height, about 5 ft. 7 in.; sandy complexion, clean shaven, generally neat appearance, seems modest in his conversation and behavior, and apparently familiar with the stock business. He makes the acquaintance of local horse dealers, pretending to be buying and shipping to the above firm, and endeavors to get them to identify him at the local banks for the purpose of cashing his drafts. He is reported to have previously operated in Minnesota and North and South Dakota. In case you obtain any knowledge of this party, immediately advise the Police Department, La Crosse, Wis.

CALIFORNIA BANKERS' ASSOCIATION,

OFFICE OF THE SECRETARY.

SAN FRANCISCO, CAL., April 16, 1909.

CONFIDENTIAL WARNING.

On Friday, April 2d, a man representing himself to be John Collins, of Brooklyn, N. Y., who, on account of his wife's health, desired to locate in California, presented at the Commercial National Bank of Los Angeles a letter of introduction purporting to be signed by Clinton W. Ludlum, Secretary of the Franklin Trust Company of Brooklyn, which recommended the gentleman very highly, and carried with it his signature as identification for a draft drawn by the Franklin Trust Company on the Crocker National Bank of San Francisco.

The Commercial National Bank accepted the draft and forwarded same to San Francisco for collection, without advancing money, Mr. Collins promising to call on the following Tuesday, when the bank would expect returns. The draft and letter have been pronounced a forgery and Collins has not called.

Mr. Collins is a man about 5 ft. 7 in. tall, weighing about one hundred fifty (150) lbs., age about thirty-seven (37), dark hair, sharp and rather long nose, and apparently has some disease of the eyelids, as they are quite red and inflamed.

OREGON STATE BANKERS' ASSOCIATION,

OFFICE OF THE SECRETARY.

PORTLAND, ORE., April 5, 1909.

SPECIAL WARNING.

A man going under the name of James Davis is wanted for obtaining money under false pretenses, having succeeded in obtaining some money from the Bank of Heppner on a forged deed and mortgage on the 20th of last month. His description is as follows:

Height, 5 ft. 8 in.; weight, about 220 lbs.; is very stout; has dark complexion; hazel or gray eyes, brown hair slightly tinged with gray; is smoothly shaven and wore, when last seen, a dark-colored coat and striped trousers; soft dark hat, and a silver watch and chain.

He will probably present a check-book of the Bank of Heppner showing a credit of \$1,200, with two checks of \$800 and \$50, respectfully, having been drawn. Should he appear in your neighborhood, please wire the Secretary immediately.

Through the efforts of the Pinkerton Detective Agency and our Protective Committee, this man has been arrested and nearly all of the money returned to the bank.

THE BANKERS' ASSOCIATION OF THE STATE OF ILLINOIS,

OFFICE OF THE SECRETARY.

CHICAGO, ILL., April 26, 1909.

\$350.00 REWARD.

About 1 o'clock A. M. April 24th, burglars blew open and robbed the safe of the McClure & Jacobs Bank of Arrowsmith, McLean County, of approximately \$3,000. The bank's loss is covered by burglary policy with the Ocean Accident & Guarantee Corporation, Limited.

The Protective Committee of this Association offers a reward of \$250.00 for the apprehension and conviction of one or more of the guilty parties. The Ocean Accident &

JOURNAL OF THE AMERICAN BANKERS' ASSOCIATION

Guarantee Corporation, Limited, offers a reward of \$100.00 for the apprehension and conviction of each of the guilty parties.

There is little or no clew to be had, except that two suspicious-looking individuals were seen around Arrowsmith the day previous. Any information should be communicated immediately to this office.

THE BANKERS' ASSOCIATION OF THE STATE OF ILLINOIS,

OFFICE OF THE SECRETARY.

CHICAGO, May 5, 1909.

WARNING.—\$200 REWARD FOR THIS MAN.

The letter of the Cairo National Bank of Cairo quoted below explains itself. Should this individual present himself at your bank, cause his arrest immediately and communicate with this office and the Cairo National Bank.

"On April 9th a young man about five feet ten inches in height, weighing about one hundred fifty pounds, smooth face, light complexion, eyes believed to be dark blue, neatly dressed in a gray suit, called at this bank about twice to know if we had received a message from Fresno, California, to pay to Frank Kelley some money. He was answered in the negative, and just as the doors were closed at 3 P. M. a messenger boy delivered a message as below, and following him was the party above described, who received the fifty dollars:

CAIRO NATIONAL BANK,
CAIRO, ILLINOIS.

"FRESNO, CALIF., April 9th, 1909.

Pay Frank Kelley fifty dollars. We remit. Waive identification.

FIRST NATIONAL BANK.'

"It develops that the message was a forgery written on a received blank of the Western Union Telegraph Co. and bearing the stamps identical with those of their Cairo office, though the message numbers do not correspond. The Western Union Telegraph Co. received a message on the same date as follows and delivered it to the Halliday Hotel:

"FRANK KELLEY,
c/o HALLIDAY HOTEL.

Will arrive this morning; wait for me sure. How is mother?

JIM.'

"This message was written with pen and ink. The operator at Stonefort describes the sender about the same as fits the one who received it. Says that he is an operator and that the message was sent free for him. The party called at the Western Union Telegraph Co.'s office here to know if there was a message for him and was shown a copy of the message delivered to the hotel. He talked with the operator, who believes he could identify him. Three employees of this Bank paid particular attention to the party and feel that they could identify him, and all gave about the same description of him as outlined above. There was nothing in his conduct to excite suspicion."

THE PROTECTIVE COMMITTEE OF THIS ASSOCIATION OFFERS \$200 REWARD FOR THE APPREHENSION AND CONVICTION OF THIS MAN.

THE BANKERS' ASSOCIATION OF THE STATE OF ILLINOIS,

OFFICE OF THE SECRETARY.

CHICAGO, April 19, 1909.

\$250 REWARD.

On the night of April 14th burglars blew open and robbed the safe of the Woodlawn Bank at Woodlawn, Jefferson County, of \$1,661.46.

The Protective Committee of this Association offers a reward of \$250 for the apprehension and conviction of any one or more of the guilty parties.

NEW COUNTERFEITS.

TREASURY DEPARTMENT,

OFFICE OF THE SECRETARY.

WASHINGTON, D. C., April 13, 1909.

NEW COUNTERFEIT \$5 SILVER CERTIFICATE.

Series of 1899; check letter "C"; face plate number 806; back plate number 553; J. W. Lyons, Register of the Treasury; Chas. H. Treat, Treasurer of the United States. This

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counterfeit is apparently printed from photomechanical plates of fair workmanship. The most noticeable defect is in the portrait of the Indian chief in the middle of the face of the note. The expression of the portrait is entirely different from that of the genuine, particularly as to the formation of the nose and mouth.

Under the numbering in the upper right face of the note on the counterfeit appears "series 1889." This should read "series 1899." The figures of the numbers are too thin and of irregular size and formation. In the signature of Treasurer Treat the periods have been omitted after "Chas," "H." and the final ending of the name. The "H" and "T" are also disconnected in the counterfeit, while in the genuine they are connected. The back of the note is more deceptive than the face, but is printed with a much lighter shade of green ink. The paper is of fair quality, but red and blue ink lines have been used to imitate the fiber of the genuine.

NEW COUNTERFEIT \$20 NATIONAL CURRENCY NOTE ON THE FIRST
NATIONAL BANK OF WESSINGTON, S. D.

Series of 1902; portrait of Hugh McCulloch; charter number 8335; bank number 246; Treasury number R663730; check letter "A"; W. T. Vernon, Register of the Treasury; Chas. H. Treat, Treasurer of the United States.

This counterfeit should not deceive the ordinary careful handler of money, as it is a pen-and-brush production of only fair workmanship. A genuine one dollar bill from which the printing had been bleached was used in order to obtain the paper for this counterfeit.

Under a strong magnifying glass small portions of the design of the one dollar bill can still be discerned. There will probably be other counterfeits produced in this same manner, as we have previously received a pen-made counterfeit \$10 silver certificate executed on a bleached one dollar bill, much of the lathe work of the original note being used in the make-up of the counterfeit. These pen-and-ink productions come from Chicago.

JOHN E. WILKIE,
Chief.

CHICAGO, April 27, 1909.

ARKANSAS BANKERS' ASSOCIATION,

OFFICE OF THE SECRETARY.

LITTLE ROCK, May 1, 1909.

BEWARE AND LOOK OUT FOR ONE OF THE FOLLOWING:

Name, John F. Studstill; residence, Milltown, Ga., given; age, 28 to 32 years; height, 5 feet 10 to 11 inches; nationality, supposed, native; color, white; complexion, fair; color of hair, light—rather blonde; eyes, thought to be gray; beard, none April 28, 1909; weight, 160 pounds; marks, scar above eyes, rather to right of center of brow, has an upper tooth with a gold crown.

On April 28, 1909, was wearing a light-colored suit and white hat. Was known to have also a light-striped suit bearing the mark of S. Ginsberg, Maker, Baltimore.

In his last transaction gave the impression of a person country raised, but rather bright. He is a crook of the vilest character. Should he or anyone present certificates of deposit No. 33 for \$200 or No. 34 for \$300, issued by Little River County Bank, Ashdown, Ark., or certificates Nos. 25, 26 or 27 for \$1000 each, issued by Arkansas Trust & Banking Co., Ashdown, Ark., retain the same and have person arrested, notifying either of these banks at once by telegraph or telephone. This person is also wanted by the Sheriff of Milltown, Ga., and Jacksonville, Fla. Two hundred dollars will be paid for his delivery to the Sheriff of Little River County, Ark.



